

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type [] City [] Township [] Village [X] Other		Local Government Name Van Buren County		County Van Buren
Audit Date 12/31/04	Opinion Date 8/5/05	Date Accountant Report Submitted to State: 8/12/05		

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

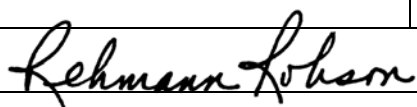
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | | | | |
|-------|-----|-------|----|---|
| [] | Yes | [X] | No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| [] | Yes | [X] | No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| [X] | Yes | [] | No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| [] | Yes | [X] | No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| [] | Yes | [X] | No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| [] | Yes | [X] | No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| [] | Yes | [X] | No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| [] | Yes | [X] | No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| [] | Yes | [X] | No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).	X		

Certified Public Accountant (Firm Name) REHMANN ROBSON GERALD J. DESLOOVER, CPA			
Street Address 5800 GRATIOT, PO BOX 2025	City SAGINAW	State MI	Zip 48605
Accountant Signature 			

COUNTY OF VAN BUREN, MICHIGAN



AUDITED FINANCIAL STATEMENTS

For The Year Ended December 31, 2004



REHMANN ROBSON

Certified Public Accountants

COUNTY OF VAN BUREN, MICHIGAN
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2004

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report.....	1-2
Management's Discussion and Analysis.....	3-13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	14
Statement of Activities.....	15-16
Fund Financial Statements:	
Balance Sheet – Governmental Funds	17-18
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets	19
Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds.....	20-21
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.....	23-28
Statement of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual – Major Special Revenue Funds	29-32
Statement of Net Assets – Proprietary Funds	33
Statement of Revenue, Expenses and Changes in Fund Net Assets – Proprietary Funds	34
Statement of Cash Flows – Proprietary Funds.....	35-36
Statement of Fiduciary Net Assets	37
Component Unit Financial Statements:	
Combining Statement of Net Assets	38-39
Combining Statement of Activities.....	40-41
Notes to the Financial Statements	42-70

COUNTY OF VAN BUREN, MICHIGAN

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2004

TABLE OF CONTENTS

	<u>PAGE</u>
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	71
Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	72
Combining Balance Sheet – Nonmajor Special Revenue Funds	73-84
Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	85-96
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds	97-128
Combining Balance Sheet – Nonmajor Debt Service Funds	129-130
Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	131-132
Combining Balance Sheet – Nonmajor Capital Project Funds	133
Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds	134
Combining Statement of Net Assets – Nonmajor Enterprise Funds	135-136
Combining Statement of Revenue, Expenses and Changes in Fund Net Assets – Nonmajor Enterprise Funds	137-138
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	139-142
Combining Statement of Net Assets – Internal Service Funds	143-144
Combining Statement of Revenue, Expenses and Changes in Fund Net Assets – Internal Service Funds	145-146
Combining Statement of Cash Flows – Internal Service Funds	147-150
Combining Statement of Assets and Liabilities – Agency Funds	151
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	152-153
Department of Public Works Component Unit	
Combining Statement of Net Assets	154-157
Combining Statement of Revenue, Expenses and Changes in Fund Net Assets	158-161
Drain Commission Component Unit	
Combining Balance Sheet / Statement of Net Assets	162-163
Combining Statement of Revenue, Expenditures and Changes in In Fund Balances / Statement of Activities	164-165

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REHMANN ROBSON

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

August 5, 2005

The Board of Commissioners
County of Van Buren, Michigan
Paw Paw, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **COUNTY OF VAN BUREN MICHIGAN**, as of and for the year ended December 31, 2004, which collectively comprise the basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Public Transit enterprise fund, which represents 11.6% of the assets and 12.3% of the revenues of the aggregate remaining (nonmajor) funds, respectively. We also did not audit the financial statements of the Road Commission or District Public Health component units, which represent 49.2% and 1.7%, respectively, of the assets and 57.8% and 21.3%, respectively, of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Transit fund and Road Commission and District Public Health component units, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Van Buren, Michigan, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and each major special revenue fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3-13 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2005, on our consideration of the County of Van Buren, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters, in a separately issued single audit report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County of Van Buren, Michigan. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based upon our audit and the reports of other auditors, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, reading "Lehmann Lobson". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

This section of Van Buren County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year that ended on December 31, 2004. Please read it in conjunction with the County's financial statements, which follow this section. For discussion and analysis of the financial statements of the Road Commission for Van Buren County and the Van Buren/Cass District Health Department, please see their separately issued financial statements.

Financial Highlights

Implementation of Governmental Accounting Standards Board (GASB) Statement number 34 began at December 31, 2003 fiscal year end. Financial data is now presented on a full accrual basis for many of the County's funds. The reporting becomes similar to that of a private sector entity. All of the governmental funds and all of the business-type funds are separately combined to report a government-wide financial statement for each of the separate fund types. Comparative data is provided for 2003 and 2004. Highlights are as follows:

- Governmental Fund Net Assets increased \$2,820,001 from \$6,694,109 (as restated) to \$9,514,110, which is a 42.1% increase. Of the total, -\$492,098 was unrestricted.
- Business-Type Fund Net Assets decreased \$1,078,551 from \$9,195,344 to \$8,116,793, which is a 11.7% decrease. Of the total, \$7,435,078 was unrestricted.
- Total Net Assets increased \$1,741,450 from \$15,889,453 (as restated) to \$17,630,903, a 11.0% increase. Of the total, \$6,941,182 was unrestricted. This amount may be used to meet the County's ongoing obligations to citizens and creditors.
- Governmental Activities expenses totaled \$34,208,325. \$20,000,102 of those expenditures were financed by Program Revenues (service charges, contributions, or grants). General Revenues (property taxes, unrestricted grants, unrestricted investment earnings) were \$14,302,493.
- As of the close of the current fiscal year, the County's Governmental Funds (General Fund, Public Safety, Ambulance, WIA, Revenue Sharing Reserve, Non-major Funds) reported a combined ending fund balance of \$3,726,882. Of this amount, \$3,651,882 is unreserved and undesignated.
- The General Fund had a net reduction of fund balance of \$164,378. At the end of the year, the unreserved fund balance for the General Fund was \$72,130 or .2% of total General Fund expenditures. The total General Fund balance was \$147,130.
- The Delinquent Tax Revolving Fund generated income of \$993,535 before capital contributions and transfers. Total transfers out amounted to \$2,514,269 resulting in a \$1,520,734 decrease in net assets. Net assets at the end of the year were \$5,926,399.
- In 2003 the depreciated cost of the governmental fund capital assets was reported for the first time in the financial statements. The total depreciated cost of the fixed assets at December 31, 2004 was \$11,807,952 a decrease of \$306,071 from \$12,114,023 (as restated).

Overview of the Financial Statements

This annual report consists of four parts – *Management’s Discussion and Analysis* (this section), the *Basic Financial Statements*, *Required Supplementary Information*, and an optional section that presents *Combining Statements* for non-major governmental funds and internal service funds.

The *Basic Financial Statements* include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the County government, reporting the County’s operations in *more detail* than the government-wide statements.
 - *Governmental funds* statements tell how *general government* services including legislative, judicial, and executive functions like public safety were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*, such as the Delinquent Tax Revolving Fund.
 - *Fiduciary fund* statements provide information about the financial relationships – like the retirement plan for the County’s employees – in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide data that are more detailed.

The statements are followed by a section of *Required Supplementary Information* that further explains and supports the information in the financial statements.

In addition to these required elements, we have included a section with *Combining Statements* that provide details about our nonmajor governmental funds and internal service funds, each of which are added together and presented in single columns in the basic financial statements.

Figure A-1 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1. Major Features of Van Buren County's Government-Wide and Fund Financial Statements				
Fund Statements				
Type of Statements	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds and the County's component units)	Activities of the County that are not proprietary or fiduciary, such as police, fire, and parks	Activities the County operates similar to private businesses; the Delinquent Tax Revolving & Forfeitures, Public Transit	Instances in which the County is the trustee or agent for someone else's resources, such as the retirement plan for County employees
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets 	<ul style="list-style-type: none"> • Balance sheet 	<ul style="list-style-type: none"> • Statement of net assets 	<ul style="list-style-type: none"> • Statement of fiduciary net assets
	<ul style="list-style-type: none"> • Statement of activities 	<ul style="list-style-type: none"> • Statement of revenues, expenditures & changes in fund balances 	<ul style="list-style-type: none"> • Statement of revenues, expenses and changes in fund net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term, the County's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The *Statement of Net Assets* includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the *Statement of Activities* regardless of when cash is received or paid.

The two government-wide statements report the County's *net assets* and how they have changed. Net assets, the difference between the County's assets and liabilities, is one way to measure the County's financial health or *position*.

- Over time, increases or decreases in the County's net assets are an indicator of whether or not its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County you need to consider the additional nonfinancial factors such as changes in the County's property tax base and the condition of the County's infrastructure.

The government-wide financial statements of the County are divided into three categories:

- *Governmental activities* – Most of the County's basic services are included here, such as legislative, judicial, executive government, and other activities. Property taxes, intergovernmental revenue, service charges, state, and federal grants finance most of these activities.
- *Business-type activities* – Other functions of the County that are intended to recover all or a significant portion of their costs through user fees and charges are considered business-type activities. These include delinquent tax collections and property foreclosures.
- *Component units* – The County includes other entities in its reports. Although legally separate, these "component units" are important because the County is financially accountable for them. Examples are the Road Commission, Drainage Districts, and the District Public Health Department.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most *significant funds* – not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The County Board of Commissioners establishes other funds to control and manage money for particular purposes (like Central Dispatch) or to show that it is properly using certain taxes and grants (like aid from the Michigan State Housing Development Authority).

The County has three kinds of funds:

- *Governmental funds* – Most of the County’s basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds* – Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. There are two different types of these:
 - *Enterprise Funds* are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
 - *Internal Service Funds* report activities that provide supplies and services for the County’s other programs and activities – such as the County’s Office Equipment Fund.
- *Fiduciary funds* – The County is the trustee, or *fiduciary*, for its employees’ pension plans. It is also responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County’s fiduciary activities are reported in a separate statements of fiduciary net assets. We exclude these activities from the County’s government-wide financial statements because the County cannot use these assets to finance its operations.

Financial Analysis of the County as a Whole

- **Net assets.** Total Net Assets increased \$1,741,450 from \$15,889,453 to \$17,630,903, a 11.0% increase. Of the total, \$6,942,980 was unrestricted. This amount may be used to meet the County's ongoing obligations to citizens and creditors. (*See Table A-1*)

Table A-1
Van Buren County's Net Assets

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2004	2003	2004	2003	2004	2003	
Current and other assets	\$ 14,060,270	\$ 13,288,484	\$ 7,548,504	\$ 8,837,053	\$ 21,608,774	\$ 22,125,537	-2.3%
Capital assets, net	11,807,952	12,114,023	681,715	515,044	12,489,667	12,629,067	-1.1%
Total assets	25,868,222	25,402,507	8,230,219	9,352,097	34,098,441	34,754,604	-1.9%
Long-term debt outstanding	6,196,412	7,088,351	38,805	28,814	6,235,217	7,117,165	-12.4%
Other liabilities	10,157,700	11,620,047	74,621	127,939	10,232,321	11,747,986	-12.9%
Total liabilities	16,354,112	18,708,398	113,426	156,753	16,467,538	18,865,151	-12.7%
Net assets:							
Invested in capital assets, net of related debt	6,507,940	5,259,768	681,715	486,230	7,189,655	5,745,998	25.1%
Restricted	3,498,268	1,305,252	-	-	3,498,268	1,305,252	168.0%
Unrestricted	(492,098)	129,089	7,435,078	8,709,114	6,942,980	8,838,203	-21.4%
Total net assets	\$ 9,514,110	\$ 6,694,109	\$ 8,116,793	\$ 9,195,344	\$ 17,630,903	\$ 15,889,453	11.0%

The increase is primarily due to an increase in the Governmental type funds of 42.1%. This was tempered by a decrease in the Business-type funds of 11.7%. The decrease in Business-type fund net assets was primarily due to continued transfers to the General Fund.

Of the total Current and Other Assets figure of \$21,608,774, Cash or Investments accounts for \$4,262,673. That represents 19.7% of the total current assets. Of the total cash and investments amount, \$2,161,383 was in the Delinquent Tax Revolving Fund. The funds primary purpose is to administer collection and distribution of delinquent real property taxes. In previous years, any surplus in the funds was pledged to the payment of debt service and to increased operating costs including transfers to the Child Care Fund and increased health insurance benefit costs.

However, it is becoming apparent that this is not sustainable. Beginning in 2005, the General Fund will be responsible for these payments. This will require across the board cuts in General Fund expenditures approximating \$1,600,000.

Receivables of \$17,332,801 represents 50.8% of the current assets. \$3,294,958, or 19.0%, of that amount were Delinquent Tax Receivables.

In 2003 the depreciated cost of the governmental fund capital assets was reported for the first time in the financial statements. The total depreciated cost of the fixed assets at December 31, 2004 was \$11,807,952 a decrease of \$306,071 from \$12,114,023 (as restated).

Changes in net assets. The county's net assets (as restated) increased by \$1,741,450. (*See Table A-2*) Governmental Fund net assets increased \$2,820,001. Business-type Fund net assets decreased by \$1,078,551.

Table A-2
Changes in Van Buren County's Net Assets

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2004	2003	2004	2003	2004	2003	
Revenues							
Program revenues:							
Charges for services	\$ 5,290,721	\$ 4,979,663	\$ 2,107,152	\$ 1,760,013	\$ 7,397,873	\$ 6,739,676	9.8%
Operating grants and contributions	14,709,381	15,625,407	648,201	773,516	15,357,582	16,398,923	-6.4%
Capital grants and contributions	-	-	346,071	-	346,071	-	-
General revenues:							
Property taxes	13,502,847	10,138,018	-	-	13,502,847	10,138,018	33.2%
Grants and contributions not restricted to specific programs	739,254	1,407,932	-	-	739,254	1,407,932	-47.5%
Unrestricted investment earnings	60,392	148,787	-	-	60,392	148,787	-59.4%
Total revenues	34,302,595	32,299,807	3,101,424	2,533,529	37,404,019	34,833,336	7.4%
Expenses							
Legislative	176,328	185,448	-	-	176,328	185,448	-4.9%
Judicial	5,311,498	5,179,676	-	-	5,311,498	5,179,676	2.5%
General government	5,494,148	5,208,015	-	-	5,494,148	5,208,015	5.5%
Public safety	8,090,509	7,221,310	-	-	8,090,509	7,221,310	12.0%
Public works	79,325	60,708	-	-	79,325	60,708	30.7%
Health and welfare	14,489,485	15,672,511	-	-	14,489,485	15,672,511	-7.5%
Other governmental activities	284,101	191,441	-	-	284,101	191,441	48.4%
Interest on long-term debt	282,931	319,379	-	-	282,931	319,379	-11.4%
Jail Commissary	-	-	123,625	104,504	123,625	104,504	18.3%
Delinquent tax collections/forfeitures	-	-	190,876	200,781	190,876	200,781	-4.9%
Public transit	-	-	1,139,743	994,181	1,139,743	994,181	14.6%
Total expenses	34,208,325	34,038,488	1,454,244	1,299,466	35,662,569	35,337,954	0.9%
Net income before transfers	94,270	(1,738,681)	1,647,180	1,234,063	1,741,450	(504,618)	-
Transfers	2,725,731	2,499,344	(2,725,731)	(2,499,344)	-	-	-
Change in net assets	2,820,001	760,663	(1,078,551)	(1,265,281)	1,741,450	(504,618)	-
Net assets, beginning of year, as restated	6,694,109	5,933,446	9,195,344	10,460,625	15,889,453	16,394,071	-3.1%
Net assets, end of year	\$ 9,514,110	\$ 6,694,109	\$ 8,116,793	\$ 9,195,344	\$ 17,630,903	\$ 15,889,453	11.0%

In general, an increase in net assets means that current citizens and taxpayers are paying for services being provided today. A decrease in net assets means that current citizens and taxpayers aren't contributing enough to pay for the services they are currently receiving.

Financial Analysis of the County's Funds

Governmental Funds

Governmental Funds include the General Fund, Public Safety, Ambulance, WIA, Revenue Sharing Reserve, and Non-Major Funds. For the fiscal year ended December 31, 2004, the county's governmental funds reported a total Fund Balance of \$3,726,882, which was an increase of \$2,055,477 from \$1,671,405 in 2003. Of the \$3,726,882 Total Governmental Fund Balance, the unreserved and undesignated amount was \$3,651,882. The vast majority of this, (\$2,482,228) is in the Revenue Sharing Reserve Fund.

General Fund. The total General Fund Fund Balance decreased \$164,378 from \$311,508 to \$147,130 at December 31, 2004. Of this amount, \$72,130 is undesignated. The relative fund balance decline is due to continued increases in benefit costs: property and casualty as well as health insurance. The Board of Commissioners has negotiated and implemented a new health care program, which should reduce the rate of increased benefit costs.

Special Revenue Funds. The Special Revenue Funds in total ended the 2004 fiscal year with an Fund Balance of \$3,522,872. This increased \$2,218,131 from \$1,304,741 at the end of the 2003 fiscal year. The Fund Balances for each of the individual funds at December 31, 2004 are as follows:

Table A-3
Special Revenue Fund Balances

<u>Fund</u>	<u>2003 Total Fund Balance</u>	<u>2004 Total Fund Balance</u>	<u>Change</u>
Public Safety	\$ 66,645	\$ 33,490	\$ (33,155)
Ambulance	2,678	2,189	(489)
W/A	18,000	-	(18,000)
Friend of the Court	14,573	47,114	32,541
Revenue Sharing Reserve	-	2,482,228	2,482,228
Court Equity	-	480	480
MSU Building Strong Families	8,079	-	(8,079)
MSU Car Seat Program	425	-	(425)
Jail Enhancement	34,179	26,942	(7,237)
Collection Agency	53,503	99,491	45,988
PSFA Grant	-	2,114	2,114
60% Justice Training	10,198	10,561	363
911 Dispatch	23,900	95	(23,805)
911 Wireless	77,329	115,889	38,560
Planning Commission	406	16	(390)
LEPC	7,456	9,394	1,938
Public Improvement	2,035	464	(1,571)
REP Equipment Grant	-	417	417

Threat Assessment Grant	\$ -	\$ 1,219	\$ 1,219
State Homeland Security Grant	-	98	98
Weapons of Mass Destruction	15,282	9,253	(6,029)
CBRN Terrorism Planning	-	47,163	47,163
Human Services West	69,066	33,894	(35,172)
Dispatch Training	1,889	-	(1,889)
Register of Deeds Automation	80,073	186,834	106,761
Remonumentation	16,793	899	(15,894)
Victim Advocates	29,818	30,090	272
Courthouse Security	38	416	378
Court Officers	119,447	86,049	(33,398)
Drug Enforcement State	44,868	21,744	(23,124)
Drug Enforcement Prosecutor	428	1,251	823
Law Library	56	-	(56)
Sheriff Corrections Training	-	17,608	17,608
Youth Services	4,296	2,131	(2,165)
Community Corrections	33,974	46,682	12,708
Housing	187,608	44,111	(143,497)
Housing Program Income	-	71,447	71,447
Substance Abuse	300	-	(300)
Courthouse Restoration	3,229	509	(2,720)
Social Welfare	29,524	21,995	(7,529)
Family Counseling	17,754	22,534	4,780
FIA	329,903	-	(329,903)
Soldiers' and Sailors' Relief	52	52	-
Veterans' Trust	937	7,773	6,836
Kal-Haven Trail	-	38,236	38,236
Total	\$ 1,304,741	\$ 3,522,872	\$ 2,218,131

Proprietary Funds

Proprietary Funds include Enterprise Funds (Delinquent Tax Revolving, Delinquent Tax Forfeitures, and Non-Major Funds [Summer Tax Collection, Commissary, Public Transit]) and Internal Service Funds (Computer, Computer Mapping, Tax Services and Fringe Benefits). The Enterprise Funds had total net assets at December 31, 2004 of \$8,116,793. Of that amount, \$681,715 was invested in capital assets net of related debt.

Enterprise Funds. The Delinquent Tax Revolving Fund had net assets of \$7,447,133 at the end of the 2003 fiscal year. The net assets decreased \$1,520,734 during the 2004 fiscal year for a new total of \$5,926,399. The fund generated a net income before transfers of \$993,535 during the fiscal year, but then transferred \$2,514,269 to the satisfy debt obligations and to the General Fund, resulting in the decrease in net assets.

Net assets of the Delinquent Tax Forfeitures Fund increased \$435,957 and Non-Major Funds increased \$6,226 during the 2004 fiscal year.

Internal Service Funds. Internal Service Funds had net assets of \$65,969 at December 31, 2003 and increased \$164,068 to \$230,037 in 2004.

General Fund Budgetary Highlights

2004 was a very difficult year on both the revenue and expenditure side. Revenues were lower than expected due to decreases in State Revenue sharing. Expenditures were higher than expected because of increased public safety and other costs. In addition, and most importantly the drain on the Proprietary Funds to cover General Fund deficits has been identified. Beginning in 2005 and into 2006, the County will have to cease paying long-term debt obligations from the Delinquent Tax Fund. These costs will have to be incurred from the General Fund. Consequently, aggressive cost reduction will have to take place immediately and for the long term at least as long as bond obligations exists.

Description of Significant Capital Asset and Long-Term Debt Activity

The County's Debt obligations (principal and interest) are as follows:

2005:	\$1,218,793
2006:	\$1,223,508
2007:	\$1,220,563
2008:	\$917,276
2009:	\$932,852
2010:	\$370,200
2011:	\$123,935
2012:	\$123,030

There is no significant debt relief until 2008.

Economic Factors and Next Year's Budget and Rates

As previously stated, the overriding concern is the depletion of the Delinquent Tax Fund to pay for long-term debt and General Fund operations. This is not sustainable and must cease in 2005. Long range planning to address what is essentially a \$1.6 million dollar deficit (DTF budget) will take place in conjunction with amending the 2005 budget and establishing the 2006 and beyond budgets.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Office of the County Administrator, 219 Paw Paw Street, Suite 201, Paw Paw, MI 49079-1492.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF VAN BUREN, MICHIGAN
Statement of Net Assets
December 31, 2004

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 560,565	\$ 3,702,108	\$ 4,262,673	\$ 6,656,966
Receivables, net	13,498,705	3,834,096	17,332,801	52,887,239
Prepaid items and other assets	1,000	12,300	13,300	634,683
Capital assets not being depreciated	838,900	-	838,900	8,688,235
Capital assets being depreciated, net	10,969,052	681,715	11,650,767	39,443,878
 Total assets	 25,868,222	 8,230,219	 34,098,441	 108,311,001
Liabilities				
Accounts payable and accrued expenses	860,198	74,621	934,819	829,635
Deferred revenue (unearned)	9,297,502	-	9,297,502	1,581,146
Long-term liabilities:				
Due within one year	980,000	-	980,000	2,416,890
Due in more than one year	5,216,412	38,805	5,255,217	48,472,190
 Total liabilities	 16,354,112	 113,426	 16,467,538	 53,299,861
Net assets				
Invested in capital assets, net of related debt	6,507,940	681,715	7,189,655	47,030,222
Restricted for:				
Debt service	1,892	-	1,892	-
Other purposes	3,496,376	-	3,496,376	-
Unrestricted (deficit)	(492,098)	7,435,078	6,942,980	7,980,918
 Total net assets	 \$ 9,514,110	 \$ 8,116,793	 \$ 17,630,903	 \$ 55,011,140

The accompanying notes are an integral part of these financial statements.

COUNTY OF VAN BUREN, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2004

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 176,328	\$ -	\$ 675	\$ -	\$ (175,653)
Judicial	5,311,498	1,157,706	1,745,502	-	(2,408,290)
General government	5,494,148	2,050,582	1,226,152	-	(2,217,414)
Public safety	8,090,509	1,701,471	1,331,638	-	(5,057,400)
Public works	79,325	-	-	-	(79,325)
Health and welfare	14,489,485	317,799	10,374,179	-	(3,797,507)
Other governmental activities	284,101	63,163	31,235	-	(189,703)
Interest on long-term debt	282,931	-	-	-	(282,931)
Total governmental activities	<u>34,208,325</u>	<u>5,290,721</u>	<u>14,709,381</u>	<u>-</u>	<u>(14,208,223)</u>
Business-type activities:					
Jail Commissary	123,625	125,275	-	-	1,650
Delinquent tax collections/forfeitures	190,876	1,792,738	49,611	-	1,651,473
Public transit	1,139,743	189,139	598,590	346,071	(5,943)
Total business-type activities	<u>1,454,244</u>	<u>2,107,152</u>	<u>648,201</u>	<u>346,071</u>	<u>1,647,180</u>
Total primary government	<u>\$ 35,662,569</u>	<u>\$ 7,397,873</u>	<u>\$ 15,357,582</u>	<u>\$ 346,071</u>	<u>\$ (12,561,043)</u>
Component units					
Public works	\$ 14,233,696	\$ 4,359,245	\$ 7,462,974	\$ 2,859,506	\$ 448,029
Health and welfare	4,526,740	935,472	2,817,676	-	(773,592)
Other	85,003	-	-	-	(85,003)
Total component units	<u>\$ 18,845,439</u>	<u>\$ 5,294,717</u>	<u>\$ 10,280,650</u>	<u>\$ 2,859,506</u>	<u>\$ (410,566)</u>

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COUNTY OF VAN BUREN, MICHIGAN
Statement of Activities (Concluded)
For the Year Ended December 31, 2004

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net (expense) revenue	\$ (14,208,223)	\$ 1,647,180	\$ (12,561,043)	\$ (410,566)
General revenues:				
Property taxes	13,502,847	-	13,502,847	1,669,422
Grants and contributions not restricted to specific programs	739,254	-	739,254	1,291,941
Unrestricted investment earnings	60,392	-	60,392	49,591
Transfers - internal activities	2,725,731	(2,725,731)	-	-
Total general revenues and transfers	17,028,224	(2,725,731)	14,302,493	3,010,954
Change in net assets	2,820,001	(1,078,551)	1,741,450	2,600,388
Net assets, beginning of year, as restated	6,694,109	9,195,344	15,889,453	52,410,752
Net assets, end of year	<u>\$ 9,514,110</u>	<u>\$ 8,116,793</u>	<u>\$ 17,630,903</u>	<u>\$ 55,011,140</u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

COUNTY OF VAN BUREN, MICHIGAN
Balance Sheet
Governmental Funds
December 31, 2004

	General	Public Safety	Ambulance	WIA
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 67,412	\$ 2,189	\$ 30,000
Taxes receivable	6,121,430	1,088,107	1,924,767	-
Accounts receivable	6,641	-	-	-
Due from other governments	528,180	-	-	-
Due from other funds	578,487	-	-	-
Advances to other funds	15,000	-	-	-
Advances to component units	60,000	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 7,309,738</u>	<u>\$ 1,155,519</u>	<u>\$ 1,926,956</u>	<u>\$ 30,000</u>
<u>LIABILITIES, AND FUND BALANCES</u>				
Liabilities				
Interfund payable	\$ 581,526	\$ -	\$ -	\$ -
Accounts payable	228,805	10,359	-	30,000
Accrued liabilities	230,219	23,563	-	-
Due to other governments	-	-	-	-
Due to other funds	628	-	-	-
Advances from other funds	-	-	-	-
Deferred revenue	6,121,430	1,088,107	1,924,767	-
Total liabilities	7,162,608	1,122,029	1,924,767	30,000
Fund balances				
Reserved for:				
Advances to other funds	15,000	-	-	-
Advances to component units	60,000	-	-	-
Unreserved, undesignated	72,130	33,490	2,189	-
Unreserved, undesignated, reported in nonmajor:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Total fund balances	147,130	33,490	2,189	-
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 7,309,738</u>	<u>\$ 1,155,519</u>	<u>\$ 1,926,956</u>	<u>\$ 30,000</u>

The accompanying notes are an integral part of these financial statements.

Revenue Sharing Reserve	Nonmajor Funds	Totals
\$ -	\$ 1,159,657	\$ 1,259,258
3,060,715	-	12,195,019
-	17,113	23,754
-	683,826	1,212,006
-	628	579,115
-	-	15,000
-	-	60,000
\$ 3,060,715	\$ 1,861,224	\$ 15,344,152

\$ -	\$ 348,386	\$ 929,912
-	129,870	399,034
-	56,475	310,257
-	96,450	96,450
578,487	-	579,115
-	5,000	5,000
-	163,198	9,297,502
578,487	799,379	11,617,270

-	-	15,000
-	-	60,000
2,482,228	-	2,590,037
-	1,004,965	1,004,965
-	1,892	1,892
-	54,988	54,988
2,482,228	1,061,845	3,726,882
\$ 3,060,715	\$ 1,861,224	\$ 15,344,152

COUNTY OF VAN BUREN, MICHIGAN
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets
of Governmental Activities on the Statement of Net Assets
December 31, 2004

Fund balances - total governmental funds	\$ 3,726,882
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Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.

Add: capital assets	22,059,767
Subtract: accumulated depreciation	(10,272,736)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.

Add: net assets of governmental activities accounted for in internal service funds	230,037
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Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Subtract: bonds payable	(5,355,000)
Subtract: compensated absences	(841,412)
Subtract: accrued interest on long-term liabilities	(33,428)

Net assets of governmental activities	\$ 9,514,110
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The accompanying notes are an integral part of these financial statements.

COUNTY OF VAN BUREN, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2004

	General	Public Safety	Ambulance	WIA
Revenue				
Taxes and special assessments	\$ 8,723,938	\$ 1,030,838	\$ 687,356	\$ -
Intergovernmental	3,306,150	-	-	8,715,535
Licenses and permits	119,374	-	-	-
Fines and forfeits	164,663	-	-	-
Charges for services	2,991,720	-	-	-
Interest and rentals	866,713	-	2,156	-
Other	449,175	9,877	-	-
Total revenue	16,621,733	1,040,715	689,512	8,715,535
Expenditures				
Current:				
Legislative	179,574	-	-	-
Judicial	3,798,500	-	-	-
General government	4,918,747	-	-	-
Public safety	4,300,315	987,830	-	-
Public works	79,325	-	-	-
Health and welfare	1,084,503	-	690,001	8,733,535
Other	207,896	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	187,020	42,852	-	-
Total expenditures	14,755,880	1,030,682	690,001	8,733,535
Revenue over (under) expenditures	1,865,853	10,033	(489)	(18,000)
Other financing sources (uses)				
Transfers in	1,803,487	-	-	-
Transfers (out)	(3,833,718)	(43,188)	-	-
Total other financing sources (uses)	(2,030,231)	(43,188)	-	-
Net change in fund balances	(164,378)	(33,155)	(489)	(18,000)
Fund balances, beginning of year	311,508	66,645	2,678	18,000
Fund balances, end of year	\$ 147,130	\$ 33,490	\$ 2,189	\$ -

The accompanying notes are an integral part of these financial statements.

Revenue Sharing Reserve	Nonmajor Funds	Totals
\$ 3,060,715	\$ -	\$ 13,502,847
-	2,543,466	14,565,151
-	7,950	127,324
-	36,296	200,959
-	1,164,362	4,156,082
-	97,716	966,585
-	324,560	783,612
3,060,715	4,174,350	34,302,560
-	-	179,574
-	1,523,336	5,321,836
-	264,262	5,183,009
-	2,361,205	7,649,350
-	-	79,325
-	3,811,633	14,319,672
-	27,723	235,619
-	930,000	930,000
-	281,107	281,107
-	288,450	518,322
-	9,487,716	34,697,814
3,060,715	(5,313,366)	(395,254)
-	5,109,987	6,913,474
(578,487)	(7,350)	(4,462,743)
(578,487)	5,102,637	2,450,731
2,482,228	(210,729)	2,055,477
-	1,272,574	1,671,405
\$ 2,482,228	\$ 1,061,845	\$ 3,726,882

COUNTY OF VAN BUREN, MICHIGAN
Reconciliation of the Statement of Revenue, Expenditures
and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2004

Net change in fund balances - total governmental funds	\$ 2,055,477
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Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add: capital outlay	629,166
Subtract: depreciation expense	(866,501)
Subtract: loss on disposal of capital assets	(52,324)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Add: principal payments on long-term liabilities	930,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Subtract: increase in accrued interest on bonds	(1,824)
Subtract: increase in the accrual of compensated absences	(38,061)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

Add: interest revenue from governmental internal service funds	35
Subtract: net operating loss from governmental activities accounted for in internal service funds	(110,967)
Add: internal activities (transfers) accounted for in internal service funds	275,000

Change in net assets of governmental activities	<u><u>\$ 2,820,001</u></u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF VAN BUREN, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Taxes				
Current property taxes	\$ 8,851,637	\$ 8,851,637	\$ 8,699,119	\$ (152,518)
Delinquent personal tax	15,740	15,740	-	(15,740)
Tax reverted lands	100	100	-	(100)
Trailer park tax	10,000	10,000	7,560	(2,440)
Forest tax	-	-	1,952	1,952
Payment-in-lieu of taxes	4,000	4,000	10,049	6,049
Delinquent tax interest	7,500	7,500	5,258	(2,242)
Total taxes	8,888,977	8,888,977	8,723,938	(165,039)
Intergovernmental				
Cooperative reimbursement program:				
Friend of the Court	1,081,708	1,081,708	937,363	(144,345)
ADC incentive	250,000	250,000	174,913	(75,087)
Emergency preparedness	25,000	25,000	26,987	1,987
Judges	630,242	630,242	632,427	2,185
Juvenile officer	53,000	53,000	52,776	(224)
Judges salary standardization	229,304	229,304	228,620	(684)
Voters registration	1,000	1,000	1,211	211
Welfare fraud	6,000	6,000	225	(5,775)
Convention and tourism tax	247,945	247,945	245,771	(2,174)
Cigarette tax	40,401	40,401	43,859	3,458
Income tax	1,400,971	1,400,971	739,254	(661,717)
Remonumentation	15,000	15,000	14,158	(842)
Caseflow assistance	32,000	32,000	21,920	(10,080)
Marine safety grant	26,000	26,000	27,033	1,033
Liquor control	5,000	5,000	5,977	977
Public safety	124,942	140,128	143,483	3,355
Snowmobile grant	18,411	18,411	10,173	(8,238)
Total intergovernmental	4,186,924	4,202,110	3,306,150	(895,960)
Licenses and permits				
Licenses/permits	9,000	9,000	13,814	4,814
Dog licenses	122,800	122,800	105,560	(17,240)
Total licenses and permits	131,800	131,800	119,374	(12,426)

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COUNTY OF VAN BUREN, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual (Continued)
General Fund
For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue (continued)				
Fines and forfeits				
Bond forfeitures	\$ 70,000	\$ 70,000	\$ 50,093	\$ (19,907)
Ordinance fines	104,000	104,000	114,570	10,570
Total fines and forfeits	174,000	174,000	164,663	(9,337)
Charges for services				
Costs:				
Family court	11,000	11,000	12,661	1,661
Circuit court	32,000	32,000	41,530	9,530
District court	617,200	617,200	580,816	(36,384)
Bond	18,000	18,000	18,583	583
Fees:				
Friend of the Court	135,000	135,000	72,669	(62,331)
District Court	177,800	177,800	246,148	68,348
Probate Court	74,000	74,000	92,124	18,124
Administration	12,000	12,000	9,000	(3,000)
Clerk	88,200	88,200	109,254	21,054
Register of Deeds	604,025	604,025	367,372	(236,653)
Real estate transfer tax	300,000	300,000	328,704	28,704
UCC filing fees	1,500	1,500	991	(509)
Copies	133,500	133,500	92,782	(40,718)
Land description	1,500	1,500	1,963	463
Treasurer	27,775	27,775	28,067	292
MSU Extension	29,600	29,600	35,487	5,887
Sheriff	923,049	923,049	925,022	1,973
Sheriff animal control	6,250	6,250	8,922	2,672
Other	1,000	1,000	1,480	480
Sales:				
Traffic books	2,150	2,150	3,145	995
Sheriff	15,000	15,000	15,000	-
Total charges for services	3,210,549	3,210,549	2,991,720	(218,829)
Interest and rentals				
Interest earned	160,225	160,225	60,357	(99,868)
Rentals	817,312	817,312	806,356	(10,956)
Total interest and rentals	977,537	977,537	866,713	(110,824)

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COUNTY OF VAN BUREN, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual (Continued)
General Fund
For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue (concluded)				
Other revenue				
Contributions/donations	\$ 750	\$ 750	\$ 1,864	\$ 1,114
Reimbursements	521,012	521,012	442,669	(78,343)
Other	1,250	1,250	4,642	3,392
Total other revenue	523,012	523,012	449,175	(73,837)
Total revenue	18,092,799	18,107,985	16,621,733	(1,486,252)
Expenditures				
Legislative				
Board of Commissioners	168,972	168,972	179,574	10,602
Judicial				
Circuit Court	318,653	318,653	318,234	(419)
Circuit Court - due process	220,500	220,500	256,616	36,116
Family Court	1,180,130	1,180,130	1,148,703	(31,427)
Family Court - due process	192,500	192,500	192,244	(256)
District Court-East	691,707	691,707	691,501	(206)
District Court-East - due process	69,250	69,250	74,946	5,696
District Court-West	640,275	640,275	637,251	(3,024)
District Court-West - due process	74,000	74,000	96,571	22,571
Jury Board	6,300	6,300	5,500	(800)
Probate Court	268,708	268,708	339,739	71,031
Probate Court - due process	26,500	26,500	29,018	2,518
State probation	9,497	9,497	8,177	(1,320)
Total judicial	3,698,021	3,698,021	3,798,500	100,479

continued...

COUNTY OF VAN BUREN, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual (Continued)
General Fund
For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Expenditures (continued)				
General government				
Legal	\$ 81,500	\$ 81,500	\$ 130,374	\$ 48,874
Administrator	214,812	214,812	217,266	2,454
Elections	98,650	98,650	100,957	2,307
Clerk	428,980	428,980	366,237	(62,743)
Clerk-Court	-	-	5,760	5,760
Equalization	289,349	289,349	297,777	8,428
Prosecutor	744,954	744,954	771,728	26,774
Register of Deeds	215,477	215,477	216,833	1,356
Land description	192,545	192,545	202,677	10,132
Treasurer	280,275	280,275	274,386	(5,889)
MSU Extension	526,922	526,922	530,781	3,859
Computer department	180,591	180,591	171,170	(9,421)
Building and grounds	998,399	998,399	1,214,977	216,578
Drain Commissioner	151,959	151,959	157,888	5,929
Conservation	500	500	-	(500)
Postage	175,000	175,000	153,687	(21,313)
Telephone	87,500	87,500	106,249	18,749
Total general government	4,667,412	4,667,412	4,918,747	251,335
Public safety				
Sheriff	245,352	245,352	257,060	11,709
Sheriff patrol	979,670	979,670	991,105	11,435
Secondary road patrol	133,743	133,743	134,303	560
Marine safety	86,987	86,987	89,742	2,755
Sheriff - other areas	631,844	631,844	629,076	(2,768)
Jail	1,488,638	1,488,638	1,489,559	921
Alternative work program	73,686	73,686	51,534	(22,152)
Food service	257,500	257,500	265,464	7,964
Plat Board	550	550	225	(325)
Boundary commission	150	150	-	(150)

continued...

COUNTY OF VAN BUREN, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual (Continued)
General Fund
For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Expenditures (continued)				
Public safety (concluded)				
Emergency management	\$ 109,828	\$ 109,828	\$ 104,894	\$ (4,934)
Grant management	37,678	37,678	38,118	441
Animal control	259,567	259,567	249,235	(10,332)
Total public safety	4,305,192	4,305,192	4,300,315	(4,877)
Public works				
Drain - public benefit	55,000	55,000	63,331	8,331
Department of Public Works administration	7,994	7,994	15,994	8,000
Total public works	62,994	62,994	79,325	16,331
Health and welfare				
Home health care - indigent care	5,000	5,000	10,000	5,000
Contagious diseases	5,000	5,000	23,695	18,695
Medical examiner	138,206	138,206	153,687	15,481
Human services	43,215	43,215	40,715	(2,500)
Public health	545,076	545,076	546,226	1,150
Mental health	300,000	300,000	300,000	-
Veterans' burial	10,100	10,100	10,180	80
Total health and welfare	1,046,597	1,046,597	1,084,503	37,906
Other				
Insurance	150,000	150,000	207,882	57,882
Contingencies	201,753	201,753	-	(201,753)
Miscellaneous	-	-	14	14
Total other	351,753	351,753	207,896	(143,857)

continued...

COUNTY OF VAN BUREN, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual (Concluded)
General Fund
For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Expenditures (concluded)				
Capital outlay	\$ 193,649	\$ 193,649	\$ 187,020	\$ (6,629)
Total expenditures	14,494,590	14,494,590	14,755,880	261,290
Revenue over (under) expenditures	3,598,209	3,613,395	1,865,853	(1,747,542)
Other financing sources (uses)				
Transfers in	51,858	51,858	1,803,487	1,751,629
Transfers out	(3,572,901)	(3,572,901)	(3,833,718)	(260,817)
Total other financing sources (uses)	(3,521,043)	(3,521,043)	(2,030,231)	1,490,812
Net change in fund balance	77,166	92,352	(164,378)	(256,730)
Fund balance, beginning of year	311,508	311,508	311,508	-
Fund balance, end of year	<u>\$ 388,674</u>	<u>\$ 403,860</u>	<u>\$ 147,130</u>	<u>\$ (256,730)</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF VAN BUREN, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual
Major Special Revenue Funds
For the Year Ended December 31, 2004

	Public Safety			
	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Taxes	\$ 1,053,791	\$ 1,053,791	\$ 1,030,838	\$ (22,953)
Intergovernmental	-	-	-	-
Interest and rentals	-	-	-	-
Other revenue	10,000	10,000	9,877	(123)
Total revenue	1,063,791	1,063,791	1,040,715	(23,076)
Expenditures				
Current:				
Public safety	1,013,575	1,012,804	987,830	(24,974)
Health and welfare	-	-	-	-
Capital outlay	46,600	46,600	42,852	(3,748)
Total expenditures	1,060,175	1,059,404	1,030,682	(28,722)
Revenue over (under) expenditures	3,616	4,387	10,033	5,646
Other financing sources				
Transfers out	(64,724)	(64,724)	(43,188)	21,536
Net change in fund balances	(61,108)	(60,337)	(33,155)	27,182
Fund balances, beginning of year	66,645	66,645	66,645	-
Fund balances, end of year	\$ 5,537	\$ 6,308	\$ 33,490	\$ 27,182

Ambulance			
Original Budget	Final Budget	Actual	Over (Under) Final Budget
\$ 702,655	\$ 702,655	\$ 687,356	\$ (15,299)
-	-	-	-
-	-	2,156	2,156
-	-	-	-
702,655	702,655	689,512	(13,143)
-	-	-	-
702,655	702,655	690,001	(12,654)
-	-	-	-
702,655	702,655	690,001	(12,654)
-	-	(489)	(489)
-	-	-	-
-	-	(489)	(489)
2,678	2,678	2,678	-
\$ 2,678	\$ 2,678	\$ 2,189	\$ (489)

continued...

COUNTY OF VAN BUREN, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual
Major Special Revenue Funds (Concluded)
For the Year Ended December 31, 2004

	Workforce Investment Act			
	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	9,000,000	9,000,000	8,715,535	(284,465)
Interest and rentals	-	-	-	-
Other revenue	-	-	-	-
Total revenue	9,000,000	9,000,000	8,715,535	(284,465)
Expenditures				
Current:				
Public safety	-	-	-	-
Health and welfare	9,000,000	9,000,000	8,733,535	(266,465)
Capital outlay	-	-	-	-
Total expenditures	9,000,000	9,000,000	8,733,535	(266,465)
Revenue over (under) expenditures	-	-	(18,000)	(18,000)
Other financing sources				
Transfers out	-	-	-	-
Net change in fund balances	-	-	(18,000)	(18,000)
Fund balances, beginning of year	18,000	18,000	18,000	-
Fund balances, end of year	<u>\$ 18,000</u>	<u>\$ 18,000</u>	<u>\$ -</u>	<u>\$ (18,000)</u>

Revenue Sharing Reserve				
Original Budget	Final Budget	Actual	Over (Under) Final Budget	
\$ -	\$ -	\$ 3,060,715	\$ 3,060,715	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	3,060,715	3,060,715	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	3,060,715	3,060,715	
-	-	(578,487)	(578,487)	
-	-	2,482,228	2,482,228	
-	-	-	-	
\$ -	\$ -	\$ 2,482,228	\$ 2,482,228	

COUNTY OF VAN BUREN, MICHIGAN
Statement of Net Assets
Proprietary Funds
December 31, 2004

	Business-Type Activities				Governmental Activities
	Delinquent Tax Revolving	Delinquent Tax Fofeitures	Nonmajor Funds	Totals	Internal Service
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,231,471	\$ 1,350,493	\$ 190,232	\$ 2,772,196	\$ 231,219
Delinquent taxes receivable	3,294,958	-	-	3,294,958	-
Accounts receivable	481,318	10,453	29,669	521,440	7,926
Due from other governments	-	-	17,698	17,698	-
Interfund receivable	929,912	-	-	929,912	-
Inventory, at cost	-	-	7,453	7,453	1,000
Prepaid items	-	-	4,847	4,847	-
Total current assets	5,937,659	1,360,946	249,899	7,548,504	240,145
Capital assets being depreciated, net	-	-	681,715	681,715	20,921
Total assets	5,937,659	1,360,946	931,614	8,230,219	261,066
Liabilities					
Current liabilities:					
Accounts payable	9,895	2,242	37,552	49,689	20,944
Accrued liabilities	-	-	23,567	23,567	-
Due to other governments	1,365	-	-	1,365	85
Advances from other funds	-	-	-	-	10,000
	11,260	2,242	61,119	74,621	31,029
Long-term debt:					
Due in more than one year	-	-	38,805	38,805	-
Total liabilities	11,260	2,242	99,924	113,426	31,029
Net assets					
Invested in capital assets, net of related debt	-	-	681,715	681,715	20,921
Unrestricted	5,926,399	1,358,704	149,975	7,435,078	209,116
Total net assets	\$ 5,926,399	\$ 1,358,704	\$ 831,690	\$ 8,116,793	\$ 230,037

The accompanying notes are an integral part of these financial statements.

COUNTY OF VAN BUREN, MICHIGAN
Statement of Revenue, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2004

	Business-Type Activities				Governmental Activities
	Delinquent Tax Revolving	Delinquent Tax Forfeitures	Nonmajor Funds	Totals	Internal Service
Operating revenue					
Tax collection fees	\$ 282,151	\$ -	\$ -	\$ 282,151	\$ -
Interest on taxes	670,274	-	-	670,274	-
Charges for services	-	787,862	366,865	1,154,727	3,696,899
Total operating revenue	952,425	787,862	366,865	2,107,152	3,696,899
Operating expenses					
Administration	-	-	150,577	150,577	3,531,854
Operations	-	-	891,001	891,001	-
Maintenance	-	-	84,322	84,322	211,273
Other	8,501	140,443	-	148,944	48,328
Depreciation	-	-	179,400	179,400	16,411
Total operating expenses	8,501	140,443	1,305,300	1,454,244	3,807,866
Operating income (loss)	943,924	647,419	(938,435)	652,908	(110,967)
Non-operating revenue					
Interest and rentals	38,708	-	2,075	40,783	35
Intergovernmental revenue	-	-	589,994	589,994	-
Other	10,903	-	6,521	17,424	-
Total non-operating revenue	49,611	-	598,590	648,201	35
Income (loss) before capital contributions and transfers	993,535	647,419	(339,845)	1,301,109	(110,932)
Capital contributions	-	-	346,071	346,071	-
Transfers					
Transfers in	-	-	-	-	275,000
Transfers (out)	(2,514,269)	(211,462)	-	(2,725,731)	-
Total transfers	(2,514,269)	(211,462)	-	(2,725,731)	275,000
Change in net assets	(1,520,734)	435,957	6,226	(1,078,551)	164,068
Net assets, beginning of year	7,447,133	922,747	825,464	9,195,344	65,969
Net assets, end of year	\$ 5,926,399	\$ 1,358,704	\$ 831,690	\$ 8,116,793	\$ 230,037

The accompanying notes are an integral part of these financial statements.

COUNTY OF VAN BUREN, MICHIGAN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2004

	Business-Type Activities				Governmental Activities
	Delinquent Tax Revolving	Delinquent Tax Forfeitures	Nonmajor Funds	Totals	Internal Service
Cash flows from operating activities					
Cash received from customers	\$ (419,898)	\$ 786,178	\$ 361,288	\$ 727,568	\$ -
Cash received from interfund services	-	-	-	-	3,696,899
Cash payments to suppliers	(1,246)	(149,149)	(630,704)	(781,099)	(3,805,616)
Cash payments to employees	-	-	(537,392)	(537,392)	-
Net cash provided (used) by operating activities	(421,144)	637,029	(806,808)	(590,923)	(108,717)
Cash flows from capital and related financing activities					
Purchase of capital assets	-	-	(346,071)	(346,071)	-
Capital contributions	-	-	346,071	346,071	-
Net cash (used) by capital and related financing activities	-	-	-	-	-
Cash flows from non-capital financing activities					
Intergovernmental revenue	-	-	589,994	589,994	-
Other	10,903	-	6,521	17,424	-
Transfers in	-	-	-	-	275,000
Transfers (out)	(2,514,269)	(211,462)	-	(2,725,731)	-
Net cash provided (used) by non-capital financing activities	(2,503,366)	(211,462)	596,515	(2,118,313)	275,000
Cash flows from investing activities					
Interest and rental earnings	38,708	-	2,075	40,783	35
Net increase (decrease) in cash and cash equivalents	(2,885,802)	425,567	(208,218)	(2,668,453)	166,318
Cash and cash equivalents, beginning of year	4,117,273	924,926	398,450	5,440,649	64,901
Cash and cash equivalents, end of year	\$ 1,231,471	\$ 1,350,493	\$ 190,232	\$ 2,772,196	\$ 231,219

Continued...

COUNTY OF VAN BUREN, MICHIGAN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2004

	Business-Type Activities				Governmental Activities
	Delinquent Tax Revolving	Delinquent Tax Forfeitures	Nonmajor Funds	Totals	Internal Service
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 943,924	\$ 647,419	\$ (938,435)	\$ 652,908	\$ (110,967)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	-	-	179,400	179,400	16,411
Changes in assets and liabilities:					
Delinquent taxes receivable	(448,745)	-	-	(448,745)	-
Accounts receivable	6,334	(1,684)	(13,943)	(9,293)	-
Due from other governments	-	-	8,366	8,366	-
Interfund receivable	(929,912)	-	-	(929,912)	-
Inventory, at cost	-	-	(4,456)	(4,456)	-
Prepaid expenses	-	-	4,136	4,136	14,635
Interfund payable	-	-	-	-	(18,875)
Accounts payable	7,255	(8,706)	(51,993)	(53,444)	(9,921)
Accrued expenses	-	-	13,909	13,909	-
Due to other governments	-	-	(13,783)	(13,783)	-
Compensated absences payable	-	-	9,991	9,991	-
Net cash provided (used) by operating activities	<u>\$ (421,144)</u>	<u>\$ 637,029</u>	<u>\$ (806,808)</u>	<u>\$ (590,923)</u>	<u>\$ (108,717)</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF VAN BUREN, MICHIGAN
Statement of Fiduciary Net Assets
December 31, 2004

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	<u>\$ 4,793,609</u>
Liabilities	
Accrued liabilities	\$ 88,876
Undistributed receipts	<u>4,704,733</u>
 Total liabilities	 <u>\$ 4,793,609</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Net Assets
Component Units
December 31, 2004

	Road Commission	District Public Health	Department of Public Works	Drain Commission
Assets				
Cash and cash equivalents	\$ 2,648,984	\$ 786,778	\$ 1,862,024	\$ 861,514
Taxes receivable	1,555,000	-	-	-
Special assessments receivable	-	-	-	1,071,022
Accounts receivable	1,163,541	442,871	-	-
Interest receivable	-	-	-	-
Loans receivable	-	-	-	-
Leases receivable	-	-	47,925,507	-
Due from other governments	-	455,755	-	-
Inventory, at cost	530,625	75,423	-	-
Prepaid expenses	-	28,635	-	-
Capital assets not being depreciated	8,688,235	-	-	-
Capital assets being depreciated, net	38,726,937	89,257	-	627,684
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	53,313,322	1,878,719	49,787,531	2,560,220
	<hr/>	<hr/>	<hr/>	<hr/>
Liabilities				
Accounts payable	24,982	49,536	467,531	6,862
Accrued liabilities	86,595	-	-	-
Due to other governments	13,913	-	-	-
Advances from primary government	-	-	-	60,000
Undistributed receipts	120,216	-	-	-
Deferred revenue	1,555,000	26,146	-	-
Long-term debt:				
Due within one year	27,540	39,850	1,930,000	419,500
Due in more than one year	296,789	159,401	47,390,000	626,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	2,125,035	274,933	49,787,531	1,112,362
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets				
Invested in capital assets, net of related debt	47,358,781	89,257	-	(417,816)
Unrestricted	3,829,506	1,514,529	-	1,865,674
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	\$ 51,188,287	\$ 1,603,786	\$ -	\$ 1,447,858
	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements.

Economic Development Corporation		Total	
\$	497,666	\$	6,656,966
	-		1,555,000
	-		1,071,022
	-		1,606,412
	1,248		1,248
	272,295		272,295
	-		47,925,507
	-		455,755
	-		606,048
	-		28,635
	-		8,688,235
	-		39,443,878
	771,209		108,311,001
	-		548,911
	-		86,595
	-		13,913
	-		60,000
	-		120,216
	-		1,581,146
	-		2,416,890
	-		48,472,190
	-		53,299,861
	-		47,030,222
	771,209		7,980,918
\$	771,209	\$	55,011,140

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2004

	Road Commission	District Public Health	Department of Public Works	Drain Commission
Expenses				
Public works	\$ 9,628,367	\$ -	\$ 4,133,930	\$ 471,399
Health and welfare	-	4,526,740	-	-
Other	-	-	-	-
Total expenses	9,628,367	4,526,740	4,133,930	471,399
Program revenue				
Charges for services	253,247	935,472	4,105,998	-
Operating grants and contributions	7,462,974	2,817,676	-	-
Capital grants and contributions	2,836,038	-	-	23,468
Total program revenue	10,552,259	3,753,148	4,105,998	23,468
Net (expense) revenue	923,892	(773,592)	(27,932)	(447,931)
General revenue				
Property taxes	1,669,422	-	-	-
Other grants and contributions not restricted to particular programs	182,092	802,060	-	290,609
Interest and rentals	-	8,969	27,932	8,165
Total general revenue	1,851,514	811,029	27,932	298,774
Change in net assets	2,775,406	37,437	-	(149,157)
Net assets, beginning of year, as restated	48,412,881	1,566,349	-	1,597,015
Net assets, end of year	<u>\$ 51,188,287</u>	<u>\$ 1,603,786</u>	<u>\$ -</u>	<u>\$ 1,447,858</u>

The accompanying notes are an integral part of these financial statements.

Economic Development Corporation	Total
\$ -	\$ 14,233,696
-	4,526,740
85,003	85,003
85,003	18,845,439
-	5,294,717
-	10,280,650
-	2,859,506
-	18,434,873
(85,003)	(410,566)
-	1,669,422
17,180	1,291,941
4,525	49,591
21,705	3,010,954
(63,298)	2,600,388
834,507	52,410,752
\$ 771,209	\$ 55,011,140

NOTES to FINANCIAL STATEMENTS

COUNTY OF VAN BUREN, MICHIGAN

Index

Notes to Financial Statements

	<u>PAGE</u>
I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
A. Reporting entity	42
B. Government-wide and fund financial statements	45
C. Measurement focus, basis of accounting and basis of presentation	45
D. Assets, liabilities and equity	48
II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY	
A. Budgetary information	51
B. Excess of expenditures over appropriations	51
III. DETAILED NOTES ON ALL FUNDS	
A. Deposits and investments	53
B. Receivables	54
C. Accounts payable	55
D. Interfund receivables and payables	55
E. Capital assets	57
F. Long-term debt	60
IV. OTHER INFORMATION	
A. Risk management	64
B. Employee retirement systems & plans	65
C. Post-employment benefits	68
D. Property taxes	69
E. Contingent liabilities	70
F. Restatements	70

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Van Buren, Michigan (the “County” or “government”) was incorporated in 1829 and covers an area of approximately 632 square miles in southwest lower Michigan. The County operates under a seven-member elected Board of Commissioners and an appointed County Administrator.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

A. Reporting entity

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Blended Component Units:

The Van Buren County Building Authority is governed by a five-member Board appointed by the Van Buren County Board of Commissioners. Although legally separate from the County, the Van Buren County Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the County’s public buildings. The financial statements of the Van Buren County Building Authority funds have been consolidated with the County’s related Debt Service and Capital Projects Funds.

Discretely Presented Component Units:

The Van Buren County Road Commission (the “Road Commission”), established pursuant to State statutes, is governed by a three-member board appointed by the County. Its receipts are deposited with the County Treasurer, who invests certain of those deposits. The Road Commission may not issue debt or levy a tax without the approval of the County Board of Commissioners. If approval is granted, such taxes would be levied under the taxing authority of the County and included as part of the County’s total tax levy as well as reported in the Road Commission. The Road Commission has a December 31 year end.

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

The Van Buren/Cass County District Public Health Department is a joint venture between Van Buren and Cass Counties and was established to provide public health services. The District Health Board has representation from and provides services to Van Buren and Cass Counties. The District Public Health Department is considered a component unit of the County because it is legally separate and financially accountable to the County. Each County provides annual appropriations and passes through the statutory amounts of cigarette and hotel liquor tax funding to subsidize operations. The current funding formula approved by the District Health Board requires Van Buren and Cass Counties to provide 60% and 40%, respectively. The financial operations of the District Health Department are recorded in the records of the County of Van Buren, Michigan.

The Van Buren County Department of Public Works (the “DPW”) was established pursuant to Michigan Compiled Law 123.732, when the County of Van Buren entered into a program of water supply and sanitary sewer facility construction. The Department of Public Works is under the general control of the County Board of Commissioners and under the immediate control of the Van Buren County Road Commission, which serves as the Board of Public Works. The Department of Public Works is considered a component unit of the County. The Department manages water supply and sanitary sewer system construction projects that are bonded by the County of Van Buren. Bonds issued are authorized by an ordinance or a resolution approved by the Department of Public Works and adopted by the Van Buren County Board of Commissioners. The DPW has a December 31 year end.

The Van Buren County Drain Commission (the “Drain Commission”), oversees all drainage districts established pursuant to the Michigan Drain Code of 1956, which are separate legal entities with the power to contract, to sue and be sued, and to hold, manage and dispose of real and personal property. The County Drain Commission has sole responsibility to administer Chapter 3 and 4 drainage districts. A drainage board or drain commissioner, on behalf of the drainage district, may issue debt and levy special assessments without the prior approval of the County. The full faith and credit of the County may be given for the debt of the drainage district. The Drain Commissioner is required by law to make an annual report to the Board of Commissioners in October. The Drain Commission is financially accountable to the County, as defined by GASB Statement No 14, and is disclosed as a component unit, accordingly. The Drain Commission has a December 31 year end.

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

The Van Buren County Economic Development Corporation (the “EDC”), organized pursuant to State statutes, was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving or expanding within the County so as to provide needed services and facilities to the residents of the County. The governing body of the EDC is appointed by the County, and the EDC is financially accountable to the County, as defined by GASB Statement No. 14, and is disclosed as a component unit, accordingly. The EDC has a December 31 year end.

Complete financial statements for each of the discretely presented component units may be obtained at each entity’s administrative offices.

Van Buren County Building Authority
212 Paw Paw Street
Paw Paw, Michigan 49079

**Van Buren County Department of
Public Works**
212 Paw Paw Street
Paw Paw, Michigan 49079

Van Buren County Road Commission
P. O. Box 156
Lawrence, Michigan 49064

**Van Buren County Economic
Development Corporation**
212 Paw Paw Street
Paw Paw, Michigan 49079

**Van Buren/Cass County District
Public Health Department**
57418 CR 681
Hartford, Michigan 49057

Van Buren County Drain Commission
219 Paw Paw Street, Suite 301
Paw Paw, Michigan 49079

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or one year for expenditure-driven grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, State revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *public safety special revenue fund* accounts for a special millage for public safety operations. Financing is provided through a County tax levy.

The *ambulance special revenue fund* accounts for a special millage for ambulance service operations. Financing is provided through a County tax levy.

The *workforce investment act fund* accounts for various employment related federal and state grant programs.

The *revenue sharing reserve fund* accounts for accelerated property tax collections held for the replacement of future state shared revenues.

The County reports the following major proprietary funds:

The *delinquent tax revolving fund* accounts for money advanced to other local taxing units and various County funds for their delinquent taxes.

The *delinquent tax forfeitures fund* accounts for the County's administration of delinquent tax property forfeitures.

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

Additionally, the County reports the following fund types:

Special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects).

Debt service funds account for the servicing of general long-term debt not being financed by proprietary funds.

Capital projects funds. These funds account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

Enterprise funds. These funds account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Internal service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

Restricted net assets are assets that are subject to restrictions beyond the government's control. The restrictions may be externally imposed or imposed by law.

D. Assets, liabilities and equity

1. Deposits and investments

The government's cash and cash equivalents include amounts in demand deposit accounts, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the United States, certain commercial papers, repurchase agreements, banker acceptances and mutual funds composed of otherwise legal investments.

2. Receivables and payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable.

3. Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out method. The costs of governmental fund-type inventories are recorded as expenditures when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items, constructed or acquired since 1980), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Land improvements	15
Equipment, including vehicles	3-7
Infrastructure	20

Capital assets of the Road Commission discretely presented component unit are depreciated using the sum-of-years digit method for road equipment and the straight line method for all other capital assets over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40
Equipment	5-10
Infrastructure	8-50

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

5. *Compensated absences*

Amounts of vested or accumulated vacation leave are accrued in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as “termination leave” prior to retirement.

6. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. *Fund equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year end. The legal level of budgetary control is at the activity level in the general fund and at the functional level for the special revenue funds. Management may make transfers of appropriations within activities for the general fund and within functions for other governmental funds. Transfers of appropriations between such respective activities or functions require the approval of the Board. The Board made several supplemental budgetary appropriations throughout the year which were not considered material.

The annual budgeting process begins in June of each year. Department heads are required to submit budget requests/recommendations to the County Administrator by the end of July. The County Administrator submits a proposed budget to the Board of Commissioners by the end of October. Following public hearings, the Board of Commissioners has until December 31 to adopt the budget, although it normally targets mid-November for the adoption date.

B. Excess of Expenditures Over Appropriations

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended December 31, 2004, the County incurred expenditures in excess of the amounts appropriated in the General Fund and certain special revenue funds. Budgetary comparisons for the General Fund and Major Special Revenue Funds are included in the basic financial statements. Expenditures in excess of the amounts appropriated in the nonmajor special revenue funds are as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Nonmajor Special Revenue Funds:			
MSU Building Strong Families:			
Health and welfare	\$ -	\$ 8,079	\$ 8,079
MSU Car Seat Program:			
Health and welfare	-	425	425
Jail Enhancement:			
Public safety	7,996	8,142	146
Capital outlay	-	4,695	4,695
60% Justice Training:			
Public safety	7,800	10,245	2,445
PFSA Grant:			
Public safety	-	96,921	96,921
Local Emergency Planning Committee:			
General government	1,060	1,496	436

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

	<u>Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Public Improvement:			
Capital outlay	\$ -	\$ 235,033	\$ 235,033
Threat Assessment Grant:			
Public safety	3,400	5,757	2,357
State Homeland Security Grant:			
Public safety	-	128,041	128,041
Law Enforcement Terrorist Prevention:			
Public safety	-	40,710	40,710
Weapons of Mass Destruction:			
Public safety	-	8,057	8,057
CRNB Terrorism Planning:			
Public safety	-	84,001	84,001
Human Services West			
General government	108,150	129,592	21,442
Remonumentation:			
General government	81,669	110,681	29,012
Victims Advocate:			
Public safety	2,590	15,522	12,932
Court Officers:			
Public safety	80,260	127,366	47,106
Capital outlay	-	32,317	32,317
Drug Enforcement Federal:			
Public safety	5,477	41,915	36,439
Drug Enforcement State:			
Public safety	81,329	86,893	5,564
Law Library:			
Judicial	20,000	29,209	9,209
Community Corrections:			
Public safety	275,965	329,547	53,582
Housing Program Income:			
Health and welfare	-	43,413	43,413
Substance Abuse:			
Health and welfare	90,653	99,291	8,638
Courthouse Restoration:			
Health and welfare	1,500	3,430	1,930
Social Welfare:			
Health and welfare	-	427,621	427,621
FIA Child Care:			
Health and welfare	2,707,500	2,856,185	148,685
Soldiers' and Sailors' Relief:			
Health and welfare	1,000	2,400	1,400
Kal Haven Trail:			
Other	-	27,723	27,723

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

The County maintains pooled and individual fund demand deposits, certificates of deposit and short-term investment accounts for the primary government and discretely presented component units. Certain imprest demand deposit accounts are also maintained by discretely presented component units.

At year end, the carrying amount of the primary government's deposits was \$608,197. The carrying amount of deposits for discretely presented component units was \$4,025,723. The combined bank balance of these deposits was \$5,244,219 of which \$512,673 was covered by federal depository insurance. The remaining balance of \$4,731,546 was uninsured and uncollateralized. Since the bank deposits of the primary government and discretely presented component units are pooled, separate identification of FDIC coverage is not possible.

Investments are categorized for purposes of credit risk as either (1) insured or registered, or securities held by the government or its agent in the government's name, (2) uninsured or unregistered, with securities held by the counterparty's trust department or agent in the government's name, or (3) uninsured or unregistered, with securities held by the counterparty, or by its trust department or agent but not in the government's name.

The government's investment balances at year end, which were all uncategorized as to risk, were as follows:

	Carrying Amount/ Fair Value
Governmental trust pool:	
Primary government	\$ 8,439,909
Component units	<u>2,631,243</u>
	<u>\$11,071,152</u>

The governmental trust pool represents an investment in a liquid asset investment account. These investments are in accordance with those authorized by State statutes. The investment pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

A reconciliation of cash and investments follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash on hand	\$ 8,175	\$ -	\$ 8,175
Carrying amount of deposits	608,197	4,025,723	4,633,920
Carrying amount of investments	<u>8,439,909</u>	<u>2,631,243</u>	<u>11,071,152</u>
Total	<u>\$ 9,056,281</u>	<u>\$ 6,656,966</u>	<u>\$ 15,713,247</u>
Statement of Net Assets			
Cash and cash equivalents	\$ 4,262,672	\$ 6,656,966	\$ 10,919,638
Statement of Fiduciary Net Assets			
Cash and cash equivalents	<u>4,793,609</u>	<u>-</u>	<u>4,793,609</u>
Total	<u>\$ 9,056,281</u>	<u>\$ 6,656,966</u>	<u>\$ 15,713,247</u>

B. Receivables

Receivables in the governmental activities are as follows:

Taxes	\$12,195,019
Due from other governments	1,212,006
Accounts	31,680
Advance to component unit	<u>60,000</u>
	<u>\$13,498,705</u>

Receivables in the business-type activities are as follows:

Taxes (delinquent)	\$ 3,294,958
Accounts	521,440
Due from other governments	<u>17,698</u>
	<u>\$ 3,834,096</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Property taxes receivable (current)	\$ -	\$ 9,134,304	\$ 9,134,304
Other	-	163,198	163,198
	<u>\$ -</u>	<u>\$ 9,297,502</u>	<u>\$ 9,297,502</u>

C. Accounts payable

Accounts payable and accrued liabilities in the governmental activities are as follows:

Accounts	\$ 453,406
Accrued liabilities	310,257
Due to other governments	<u>96,535</u>
	<u>\$ 860,198</u>

Accounts payable and accrued liabilities in the business-type activities are as follows:

Accounts	\$ 49,689
Accrued liabilities	23,567
Due to other governments	<u>1,365</u>
	<u>\$ 74,621</u>

D. Interfund receivables and payables

The composition of interfund balances as of December 31, 2004, was as follows:

Due to/from other funds:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 578,487	\$ 628
Revenue sharing reserve	-	578,487
Nonmajor governmental funds	<u>628</u>	<u>-</u>
	<u>\$ 579,115</u>	<u>\$ 579,115</u>

Interfund receivable/payable:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ -	\$ 581,526
Nonmajor governmental funds	-	348,386
Delinquent tax revolving fund	<u>929,912</u>	<u>-</u>
	<u>\$ 929,912</u>	<u>\$ 929,912</u>

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

Advances to/from other funds:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 15,000	\$ -
Nonmajor governmental funds	-	5,000
Internal service funds	-	10,000
	<u>\$ 15,000</u>	<u>\$ 15,000</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the year ended December 31, 2004, interfund transfers consisted of the following:

	<u>Transfers Out</u>	<u>Transfers In</u>
General fund	\$ 3,833,718	\$ 1,803,487
Public safety	43,188	-
Revenue sharing reserve	578,487	-
Nonmajor governmental funds	7,350	5,109,987
Delinquent tax revolving	2,514,269	-
Delinquent tax forfeitures	211,462	-
Internal service funds	-	275,000
	<u>\$ 7,188,474</u>	<u>\$ 7,188,474</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Due to/from other funds - Drain Commission:

	<u>Receivable</u>	<u>Payable</u>
Capital Project Funds:		
Drain	\$ -	\$ 150,210
Drain revolving	132,844	-
Maintenance revolving	54,810	-
Lake level	-	37,444
	<u>\$ 187,654</u>	<u>\$ 187,654</u>

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

E. Capital assets

Capital assets activity for the primary government for the year ended December 31, 2004, was as follows:

	Beginning Balance *	Additions	Disposals	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 838,900	\$ -	\$ -	\$ 838,900
Capital assets, being depreciated:				
Land improvements	162,104	-	-	162,104
Buildings	18,319,994	42,731	-	18,362,725
Equipment	2,470,335	586,435	(311,499)	2,745,271
Total capital assets being depreciated	20,952,433	629,166	(311,499)	21,270,100
Less accumulated depreciation for:				
Land improvements	(38,271)	(10,806)	-	(49,077)
Buildings	(8,236,152)	(437,797)	-	(8,673,949)
Equipment	(1,402,888)	(434,309)	259,175	(1,578,022)
Total accumulated depreciation	(9,677,311)	(882,912)	259,175	(10,301,048)
Total capital assets being depreciated, net	11,275,122	(253,746)	(52,324)	10,969,052
Capital assets, net	\$ 12,114,022	\$ (253,746)	\$ (52,324)	\$ 11,807,952
Business-Type Activities				
Capital assets, being depreciated:				
Land improvements	\$ 82,229	\$ -	\$ -	\$ 82,229
Buildings	519,292	-	-	519,292
Equipment	738,658	346,071	(202,502)	882,227
Total capital assets being depreciated	1,340,179	346,071	(202,502)	1,483,748
Less accumulated depreciation for:				
Land improvements	(4,500)	(978)	-	(5,478)
Buildings	(378,180)	(82,224)	-	(460,404)
Equipment	(442,455)	(96,198)	202,502	(336,151)
Total accumulated depreciation	(825,135)	(179,400)	202,502	(802,033)
Total capital assets being depreciated, net	515,044	166,671	-	681,715
Capital assets, net	\$ 515,044	\$ 166,671	\$ -	\$ 681,715

* Beginning capital assets of Governmental Activities were increased by \$623,900 to correct an error in the prior year value of land.

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

Depreciation expense was charged to functions/programs of the primary government as follows:

Depreciation of governmental activities by function:

Judicial	\$ 49,871
General government	101,020
Public safety	496,790
Health and welfare	170,338
Other governmental activities	48,482
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>16,411</u>
	<u><u>\$ 882,912</u></u>

Depreciation of business-type activities by function:

Public transit	<u><u>\$ 179,400</u></u>
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Discretely presented component units

Capital assets activity for the Drain Commission for the year ended December 31, 2004, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - Drain Commission				
Capital assets being depreciated :				
Infrastructure	\$ 1,058,859	\$ 9,625	\$ -	\$ 1,068,484
Less accumulated depreciation for:				
Infrastructure	<u>(389,377)</u>	<u>(51,423)</u>	<u>-</u>	<u>(440,800)</u>
Capital assets, net	<u><u>\$ 669,482</u></u>	<u><u>\$ (41,798)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 627,684</u></u>

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

Capital assets activity for the District Public Health for the year ended December 31, 2004, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - District Public Health				
Capital assets being depreciated:				
Buildings	\$ 25,000	\$ -	\$ -	\$ 25,000
Equipment	284,095	8,399	-	292,494
Total capital assets being depreciated	309,095	8,399	-	317,494
Less accumulated depreciation for:				
Buildings	(10,340)	(926)	-	(11,266)
Equipment	(184,794)	(32,177)	-	(216,971)
Total accumulated depreciation	(195,134)	(33,103)	-	(228,237)
Total capital assets being depreciated, net	113,961	(24,704)	-	89,257
Capital assets, net	\$ 113,961	\$ (24,704)	\$ -	\$ 89,257

Capital assets activity for the Road Commission for the year ended December 31, 2004, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - Road Commission				
Capital assets, not being depreciated:				
Land	\$ 68,269	\$ -	\$ -	\$ 68,269
Construction in progress	7,454,331	1,165,635	-	8,619,966
Total capital assets not being depreciated	7,522,600	1,165,635	-	8,688,235
Capital assets, being depreciated:				
Land improvements	93,694	-	-	93,694
Buildings	1,850,750	58,149	-	1,908,899
Equipment	7,911,038	983,432	(537,620)	8,356,850
Infrastructure	55,640,994	3,366,337	(2,250,183)	56,757,148
Total capital assets being depreciated	65,496,476	4,407,918	(2,787,803)	67,116,591
Less accumulated depreciation for:				
Land improvements	(11,350)	(3,405)	-	(14,755)
Buildings	(565,697)	(39,302)	-	(604,999)
Equipment	(6,196,379)	(706,956)	476,520	(6,426,815)
Infrastructure	(20,498,887)	(3,094,381)	2,250,183	(21,343,085)
Total accumulated depreciation	(27,272,313)	(3,844,044)	2,726,703	(28,389,654)
Total capital assets being depreciated, net	38,224,163	563,874	(61,100)	38,726,937
Capital assets, net	\$ 45,746,763	\$ 1,729,509	\$ (61,100)	\$ 47,415,172

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

F. Long-term debt

General Obligation Bonds. The government issues general obligation bonds to provide funds to construct major capital facilities and refund previously issued bonds. Such bonds are generally repaid from voter-approved property tax levies, interfund transfers and contributions from local municipalities. The County has pledged its full faith and credit for payment on the general obligation bonds. Also, under the terms of certain bond agreements, local units have pledged their full faith and credit to pay the County each year such amounts sufficient to make principal and interest payments on those bonds.

General obligation bonds of the Department of Public Works component unit are offset by capital leases receivable from the local units of government for which the bonds were issued in the County's name. The terms of these capital leases, which relate to water and sewer systems constructed by the County on behalf of the local units, match the debt maturity requirements of the related bonds.

General obligation bonds outstanding at year end are as follows:

	Interest Rate	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
General Obligation Bonds						
<i>Governmental Activities:</i>						
1989 Building Authority Bonds - HSE Building	5.00%	\$ 385,000	\$ -	\$ -	\$ 385,000	\$ -
1997A Building Authority Refunding Bonds	4.05% - 4.65%	625,000	-	145,000	480,000	155,000
1997B Building Authority Refunding Bonds	4.05% - 4.85%	1,810,000	-	265,000	1,545,000	280,000
1997C Building Authority Refunding Bonds	4.05% - 5.05%	890,000	-	80,000	810,000	85,000
2000 Building Authority Bonds - Jail	4.35% - 4.70%	1,460,000	-	180,000	1,280,000	190,000
<i>Total Governmental Activities</i>		5,170,000	-	670,000	4,500,000	710,000
<i>Component Unit - Department of Public Works:</i>						
1986 Sanitary Sewage Disposal System No. 6 - Village of Lawrence	5.00%	295,000	-	15,000	280,000	15,000
1997 Water Supply System Bonds - Covert	4.00% - 4.40%	1,150,000	-	275,000	875,000	275,000
1998 Sewage Disposal and Water Supply Bonds - Casco/South Haven	4.25% - 6.25%	6,085,000	-	150,000	5,935,000	150,000
1998 MMBA Michigan State Revolving Loan Fund - Village of Lawton	2.25%	1,585,000	-	85,000	1,500,000	85,000
1998 Water Supply System No. 2 - Village of Paw Paw	2.50%	670,000	-	35,000	635,000	35,000
1999 Sewage Disposal and Water Supply Bonds - Casco/South Haven	4.75% - 5.30%	5,755,000	-	5,480,000	275,000	125,000
1999 Water Supply and Sewage Disposal System - City of Hartford	5.00% - 6.00%	385,000	-	15,000	370,000	15,000
2000 Sewage Disposal and Water Supply Bonds - Casco/South Haven	5.00% - 6.75%	10,190,000	-	310,000	9,880,000	325,000
2000 Sewage Disposal System No. 6 - Village of Paw Paw	4.40% - 6.00%	710,000	-	25,000	685,000	25,000
2001 Sewage Disposal System - Sister Lakes Area	4.00% - 6.00%	10,625,000	-	625,000	10,000,000	625,000
2001 Water Supply System No. 1 - Village of Paw Paw - Refunding	3.50% - 4.55%	1,000,000	-	90,000	910,000	115,000
2002 Water Supply System - Covert	3.50% - 4.75%	4,950,000	-	50,000	4,900,000	50,000
2003 Water Supply System - Covert	3.00% - 4.375%	7,500,000	-	-	7,500,000	50,000
Casco-South Haven Water System Treatment	2.00% - 5.00%	-	5,575,000	-	5,575,000	40,000
<i>Total Component Unit - Department of Public Works</i>		50,900,000	5,575,000	7,155,000	49,320,000	1,930,000
Total General Obligation Bonds		\$ 56,070,000	\$ 5,575,000	\$ 7,825,000	\$ 53,820,000	\$ 2,640,000

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

Annual debt service requirements to maturity for general obligation bonds, are as follows:

Years Ending December 31	Governmental Activities		Component Units	
	Principal	Interest	Principal	Interest
2005	\$ 710,000	\$ 204,870	\$ 1,930,000	\$ 2,175,480
2006	745,000	172,560	2,090,000	2,093,111
2007	775,000	138,438	2,130,000	1,996,233
2008	815,000	102,276	2,300,000	1,896,361
2009	870,000	62,853	2,400,000	1,786,864
2010 - 2014	585,000	32,165	14,105,000	7,209,960
2015 - 2019	-	-	16,880,000	3,747,723
2020 - 2024	-	-	7,485,000	565,908
Total	\$ 4,500,000	\$ 713,162	\$ 49,320,000	\$ 21,471,640

Drain Bonds. The Drain Commission component unit issues drain bonds to fund various drain capital projects. Drain bonds outstanding at year end are as follows:

	Interest Rate	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Drain Bonds						
Component Unit - Drain Commission:						
Drain Bonds - North Phoenix Drain Bonds	1.45% - 2.35%	\$ 725,000	\$ -	\$ 145,000	\$ 580,000	\$ 145,000

Annual debt service requirements to maturity for drain bonds, are as follows:

Years Ending December 31	Component Units	
	Principal	Interest
2005	\$ 145,000	\$ 9,969
2006	145,000	7,685
2007	145,000	4,930
2008	145,000	1,704
Total	\$ 580,000	\$ 24,288

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

Notes Payable. The County issues notes payable for the acquisition of equipment and to fund various drain capital projects. Notes payable outstanding at year end are as follows:

	Interest Rate	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Notes Payable						
<i>Governmental Activities:</i>						
2000 Municipal Purchase Notes - 911 System	4.40% - 4.75%	\$ 1,115,000	\$ -	\$ 260,000	\$ 855,000	\$ 270,000
<i>Component Unit - Drain Commission</i>						
Drain Note - Heinz Drainage District #00819	4.25%	6,250	-	6,250	-	-
Drain Note - Lambert Drainage District #01218	5.13%	19,000	-	19,000	-	-
Drain Note - Gettig Drainage District #00724	3.90%	22,000	-	11,000	11,000	11,000
Drain Note - Swanson Drainage District #02088	4.17%	16,000	-	8,000	8,000	8,000
Drain Note - Rogers Creek Intercounty Drain Note	2.98%	45,000	-	15,000	30,000	15,000
Drain Note - Peterson Drain Note	1.95%	295,000	-	147,500	147,500	147,500
Drain Note - Simmons Drain Note	2.00%	33,900	-	11,300	22,600	11,300
Drain Note - Gratoski Drain Note	2.75%	24,000	-	8,000	16,000	8,000
Drain Note - Haven Sediment Basin Drain Note	2.95%	150,000	-	37,500	112,500	37,500
Drain Note - Gruss Drain Note	2.95%	24,000	-	6,000	18,000	6,000
Drain Note - Abernathy Drain Note	2.95%	86,000	-	21,500	64,500	21,500
Drain Note - Millard Drainage District	2.75%	26,100	-	8,700	17,400	8,700
Drain Note - Graham Drain Note	4.00%	-	18,000	-	18,000	-
<i>Total Component Unit - Drain Commission</i>		747,250	18,000	299,750	465,500	274,500
Total Notes Payable		\$ 1,862,250	\$ 18,000	\$ 559,750	\$ 1,320,500	\$ 544,500

Annual debt service requirements to maturity for notes payable, are as follows:

Years Ending December 31	Governmental Activities		Component Units	
	Principal	Interest	Principal	Interest
2005	\$ 270,000	\$ 33,922	\$ 274,500	\$ 11,655
2006	285,000	20,948	114,000	5,985
2007	300,000	7,125	71,000	2,357
2008	-	-	6,000	221
Total	\$ 855,000	\$ 61,995	\$ 465,500	\$ 20,218

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

Changes in Long-Term Debt. Long-term liability activity for the year ended December 31, 2004, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 5,170,000	\$ -	\$ 670,000	\$ 4,500,000	\$ 710,000
Notes payable	1,115,000	-	260,000	855,000	270,000
Compensated absences	803,351	38,061	-	841,412	-
Total governmental activities	\$ 7,088,351	\$ 38,061	\$ 930,000	\$ 6,196,412	\$ 980,000
Business-Type Activities					
Compensated absences	\$ 28,814	\$ 9,991	\$ -	\$ 38,805	\$ -
Component Unit - Department of Public Works					
General Obligation Bonds	\$ 50,900,000	\$ 5,575,000	\$ 7,155,000	\$ 49,320,000	\$ 1,930,000
Component Unit - Drain Commission					
Drain Bonds	\$ 725,000	\$ -	\$ 145,000	\$ 580,000	\$ 145,000
Notes Payable	747,250	18,000	299,750	465,500	274,500
Total Component Unit - Drain Commission	\$ 1,472,250	\$ 18,000	\$ 444,750	\$ 1,045,500	\$ 419,500
Component Unit - Road Commission					
Capital leases	\$ 249,191	\$ -	\$ 192,800	\$ 56,391	\$ 27,540
Compensated absences	270,706	-	2,768	267,938	-
Total Component Unit - Road Commission	\$ 519,897	\$ -	\$ 195,568	\$ 324,329	\$ 27,540
Component Unit - District Public Health					
Compensated absences	\$ 200,915	\$ -	\$ 1,664	\$ 199,251	\$ 39,850

For the governmental activities, compensated absences are generally liquidated by the general fund.

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

IV. OTHER INFORMATION

A. Risk Management

Primary Government:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is insured with private carriers for employee health care and life insurance. The County is a member of the Michigan Municipal League Worker's Compensation Fund for its worker's compensation coverage. The County is a state-pool member of the Michigan Municipal League Liability & Property Pool (MML) for its general and automobile liability, motor vehicle physical damage and property damage insurance coverage. The County's participation in these funds is comparable to purchasing private insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The County makes annual contributions to MML based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from the general fund (i.e., the Insurance Fund) using premiums paid into it by other funds of the County. Such contributions as received by MML are allocated between its general and member retention funds. Economic resources in the MML's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members self-insurance retention limits along with certain other member-specific costs.

Component Units:

The Health Department participates in a State pool, the Michigan Municipal Liability and Property Pool, with other municipalities for property, liability, bonding, and casualty losses. The pool is organized under Public Act 138 of 1982, as amended. The Department also participates in a State pool, the Michigan Municipal League Workers' Compensation Fund, with other municipalities for worker's compensation losses. The pool is organized under Public Act 137 of 1969, as amended. The Department has no liability for additional assessments based on the claims filed against the pools nor do they have any right to dividends.

The Road Commission is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical benefits provided to employees. The Road Commission has purchased commercial insurance for medical benefit claims. The Road Commission participates in the Michigan County Road Commission Self-Insurance Pool for claims relating to general liability, excess liability, auto liability, errors and omissions, physical damage (equipment, building and contents). The Road Commission uses the Accident Fund of Michigan for workers' compensation insurance. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past 3 fiscal years.

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

The county road commissions in the State of Michigan established a trust fund, known as the Michigan County Road Commission Self-Insurance Pool (Pool) pursuant to the provisions of Public Act 138 of 1982. The Pool is to provide for joint and cooperative action relative to members' financial and administrative resources for the purpose of providing risk management services along with property and liability protection. Membership is restricted to road commissions and related road commission activities with the state.

The Michigan County Road Commission Self-Insurance Pool program operates as a common risk-sharing management program for road commissions in Michigan, member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts.

B. Employee Retirement Systems and Plans

Defined Contribution Plan

The County of Van Buren, Michigan provides pension benefits to all of its full-time employees and the employees of the Van Buren/Cass County District Public Health Department through the Van Buren County Pension Plan, a defined contribution plan. The System is administered by a third-party financial institution. Plan benefit provisions were established and may be amended under the Authority of the County Board of Commissioners. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by 401(a) and 501(a) of the Internal Revenue Code of 1986, as amended, the County contributes 5-10% of employees gross earnings. No employee contributions are required.

In accordance with these requirements, the County and District Public Health Department contributed \$473,558 and \$96,881, respectively, during the year ending December 31, 2004.

Police Officers Labor Counsel Collective Bargaining Unit

Effective December 2001, all members of the Police Officers Labor Council Collective Bargaining Unit are eligible to participate in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer, defined benefit pension plan. The system is administered by the MERS retirement board. MERS provides retirement and disability benefits, as well as death benefits to plan members and beneficiaries.

Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. A publicly available financial report that includes financial statements and required supplementary information for MERS may be obtained by writing to the Municipal Employees Retirement System of Michigan, 447 N. Canal Road, Lansing, Michigan 48917, or by calling (800) 767-6377.

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

Funding Policy

The County is required to contribute at an actuarially determined rate; the current rate is 7.39% of annual covered payroll. County employees are required to contribute 5.00% of their annual covered payroll. The contribution requirements of the County are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the County Board of Commissioners, depending on the MERS contribution program adopted by the County.

Annual Pension Cost

For the year ended December 31, 2004, the County's annual pension cost of \$236,616 for MERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8%, (b) projected salary increase of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0% to 8.4% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 4.5% per year after retirement for certain retirees depending on the benefit option selected. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The County's unfunded actuarial accrued liability is being amortized over a period of 30 years as a level percentage of projected payroll on an open basis as of December 31, 2004, the date of the latest actuarial valuation.

Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2002	\$242,201	100%	\$ -0-
12/31/2003	203,447	100%	-0-
12/31/2004	236,616	100%	-0-

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/2002	\$1,977,745	\$4,147,229	\$2,169,484	48%	\$2,530,263	86%
12/31/2003	2,496,994	4,695,842	2,198,848	53%	2,912,348	76%
12/31/2004	4,386,534	7,940,619	3,554,085	55%	4,334,250	82%

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

Road Commission Single Employer-Defined Benefit Plan

Plan Description

The Van Buren County Road Commission Pension Plan is a single employer-defined benefit plan administered through Fifth Third Bank. The plan covers substantially all full-time employees meeting the specified age and years of service requirements. The plan had 56 active participants, and 37 retirees as of January 1, 2005. The plan does not issue a separate report or include the Plan in a pension trust fund as the Road Commission does not maintain a fiduciary responsibility over the Plan.

Employee Contributions

Eligible employees are required to contribute 4% to 5% of their annual compensation to the Plan. Such aggregate contributions amounted to \$134,123 for the year ended December 31, 2004.

Employer Contributions

The Road Commission made \$223,811 in contributions to the Plan during 2004, as determined by actuarial valuation. Contribution requirements and benefit provisions are established and may be amended by the Board of County Road Commissioners.

Annual Pension Cost and Net Pension Obligation

The Road Commission's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution/pension cost	\$ 223,811
Contribution made	<u>223,811</u>
Increase (decrease) in net pension obligation	-
Net pension obligation, beginning of year	<u>-</u>
Net pension obligation, end of year	<u><u>\$ -</u></u>

The annual required contribution for the current year was determined as part of a December 31, 2002 actuarial valuation using the entry age normal contribution method. The actuarial assumptions included 7% investment rate of return on the investments, compounded annually and projected salary increases of 4% per year compounded annually, attributable to inflation and to seniority/merit. The entry age normal cost method was used as the actuarial cost method. Assets in excess of actuarial accrued liabilities are being amortized as a level percent of payroll over a period of 15 years on an open basis.

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

Three-Year Trend Information

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2002	\$ 166,870	100%	\$ -
2003	196,981	100	-
2004	223,811	100	-

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio Total</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/02	\$3,829,869	\$4,965,564	\$1,135,695	77%	\$1,825,033	62%
12/31/03	3,722,086	5,283,149	1,561,063	70%	1,981,462	79%
12/31/04	4,316,363	5,435,019	1,118,656	79%	2,001,070	56%

C. Post-Employment Benefits

In addition to providing pension benefits, the County of Van Buren, Michigan has elected to provide post-employment health benefits to retirees of the County. The Van Buren County Board of Commissioners established the plan and may amend it and the related contribution requirements, subject to the County's various collective bargaining agreements. The County pays the full cost of coverage for these benefits on an as-you-go basis. Also, retirees can purchase coverage for their dependents at the County's group rates. Currently, 4 retirees are eligible for post-employment health benefits. For the fiscal year ended December 31, 2004, the County made payments for post-employment health benefit premiums of \$49,201. The County obtains health care coverage through private insurers.

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

Road Commission

The Road Commission, in addition to the pension benefits described in the pension Note IV.B., provides post-retirement health care benefits and payment of Blue Cross health premiums to persons who have retired from the Road Commission. The Road Commission provides post-employment health and dental care benefits, in accordance with labor contracts and personnel policy, to all employees who retire under the provisions of the Van Buren County Road Commission Pension Plan or completing 12 years of service; after having attained age 62 or more, the Road Commission will pay 95% or 100% (depending on the plan) of the premium or subscription rate for the continuance of the hospital and surgical coverage for the employee and his/her then eligible spouse. The Road Commission will also continue to pay 95% or 100% (depending on the plan) of the premium or subscription rate for the health insurance for widows of employees who have had 15 or more years of service with the Road Commission or widows of employees who are killed on the job. Currently, 31 retirees met those eligibility requirements. Expenditures for post-employment health care benefits are recognized when insurance premiums are paid. Premiums paid by the Road Commission in 2004, totaled \$215,384, less \$6,088 reimbursed by the retirees for a net total cost of \$209,294.

D. Property taxes

Property taxes are levied on December 1 of each year, which is the lien date, and are due in full on March 1 of the year following the levy, at which time uncollected taxes become delinquent. The December 1 levy is recorded as a receivable and deferred revenue at year end because it is intended to fund expenditures of the following fiscal year. Property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County and equalized under State statute at approximately 50% of the current estimated market value.

The assessed and taxable value of real and personal property for the 2003 levy, for which revenue was recognized in 2004, was \$1,924,114,407. The general operating tax rate for this levy was 4.6302 mills with an additional .3658 mills, .8818 mills, and .5486 mills assessed for ambulance operations, Road Commission operations, and Sheriff Department operations, respectively.

COUNTY OF VAN BUREN, MICHIGAN

Notes to Financial Statements

E. Contingent liabilities

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County and its attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

F. Restatements

Beginning net assets of governmental activities were increased by \$623,900 to correct an error in the value of capital assets (i.e., land) in the prior year.

Beginning net assets of the District Public Health Dept. component unit were decreased by \$19,904 to correct for certain capital assets that were over-depreciated in the prior year.

* * * * *

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

COUNTY OF VAN BUREN, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004

	Special Revenue	Debt Service	Capital Projects	Totals
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 1,102,777	\$ 1,892	\$ 54,988	\$ 1,159,657
Accounts receivable	17,113	-	-	17,113
Due from other governments	683,826	-	-	683,826
Due from other funds	628	-	-	628
<hr/>				
<u>TOTAL ASSETS</u>	\$ 1,804,344	\$ 1,892	\$ 54,988	\$ 1,861,224
<hr/>				
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Interfund payable	\$ 348,386	\$ -	\$ -	\$ 348,386
Accounts payable	129,870	-	-	129,870
Accrued liabilities	56,475	-	-	56,475
Due to other governments	96,450	-	-	96,450
Advances from other funds	5,000	-	-	5,000
Deferred revenue	163,198	-	-	163,198
<hr/>				
Total liabilities	799,379	-	-	799,379
Fund balances				
Unreserved, undesignated	1,004,965	1,892	54,988	1,061,845
<hr/>				
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 1,804,344	\$ 1,892	\$ 54,988	\$ 1,861,224

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2004

	Special Revenue	Debt Service	Capital Projects	Totals
Revenue				
Intergovernmental	\$ 2,543,466	\$ -	\$ -	\$ 2,543,466
Licenses and permits	7,950	-	-	7,950
Fines and forfeits	36,296	-	-	36,296
Charges for services	1,164,362	-	-	1,164,362
Interest and rentals	97,373	-	343	97,716
Other	324,560	-	-	324,560
Total revenue	4,174,007	-	343	4,174,350
Expenditures				
Current:				
Judicial	1,523,336	-	-	1,523,336
General government	264,262	-	-	264,262
Public safety	2,361,205	-	-	2,361,205
Health and welfare	3,811,633	-	-	3,811,633
Other	27,723	-	-	27,723
Debt service:				
Principal	-	930,000	-	930,000
Interest	-	281,107	-	281,107
Capital outlay	288,450	-	-	288,450
Total expenditures	8,276,609	1,211,107	-	9,487,716
Revenue over (under) expenditures	(4,102,602)	(1,211,107)	343	(5,313,366)
Other financing sources (uses)				
Transfers in	3,897,499	1,212,488	-	5,109,987
Transfers (out)	(7,350)	-	-	(7,350)
Total other financing sources (uses)	3,890,149	1,212,488	-	5,102,637
Net change in fund balances	(212,453)	1,381	343	(210,729)
Fund balances, beginning of year	1,217,418	511	54,645	1,272,574
Fund balances, end of year	\$ 1,004,965	\$ 1,892	\$ 54,988	\$ 1,061,845

COUNTY OF VAN BUREN, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004

	Friend of the Court	Court Equity	MSU Building Strong Families
<hr/>			
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 65,488	\$ 480	\$ -
Accounts receivable	-	-	-
Due from other governments	13,784	-	-
Due from other funds	-	-	-
<hr/>			
<u>TOTAL ASSETS</u>	\$ 79,272	\$ 480	\$ -
<hr/>			
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Interfund payable	\$ -	\$ -	\$ -
Accounts payable	6,512	-	-
Accrued liabilities	25,646	-	-
Due to other governments	-	-	-
Advance from other funds	-	-	-
Deferred revenue	-	-	-
<hr/>			
Total liabilities	32,158	-	-
 Fund balances			
Unreserved, undesignated	47,114	480	-
<hr/>			
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 79,272	\$ 480	\$ -
<hr/>			

MSU Car Seat Program	Jail Enhancement	Collection Agency	60% Justice Training	911 Dispatch	PSFA Grant
\$ -	\$ 27,770	\$ 98,823	\$ 10,561	\$ 32,442	\$ 2,114
-	-	-	-	-	-
-	-	4,200	-	-	-
-	-	-	-	-	-
\$ -	\$ 27,770	\$ 103,023	\$ 10,561	\$ 32,442	\$ 2,114
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	700	2,703	-	13,548	-
-	128	829	-	16,934	-
-	-	-	-	1,865	-
-	-	-	-	-	-
-	-	-	-	-	-
-	828	3,532	-	32,347	-
-	26,942	99,491	10,561	95	2,114
\$ -	\$ 27,770	\$ 103,023	\$ 10,561	\$ 32,442	\$ 2,114

continued...

COUNTY OF VAN BUREN, MICHIGAN
Combining Balance Sheet
Special Revenue Funds (Continued)
December 31, 2004

	911 Wireless	Planning Commission	Local Emergency Planning Committee
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 81,685	\$ 376	\$ 8,766
Accounts receivable	-	-	-
Due from other governments	35,199	-	-
Due from other funds	-	-	628
	<hr/>	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	<u>\$ 116,884</u>	<u>\$ 376</u>	<u>\$ 9,394</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Interfund payable	\$ -	\$ -	\$ -
Accounts payable	-	360	-
Accrued liabilities	995	-	-
Due to other governments	-	-	-
Advance from other funds	-	-	-
Deferred revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	995	360	-
Fund balances			
Unreserved, undesignated	115,889	16	9,394
	<hr/>	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 116,884</u>	<u>\$ 376</u>	<u>\$ 9,394</u>

Public Improvement	REP Equipment Grant	SAP Grant	Threat Assessment Grant	Security Training Grant	Emergency Alert System
\$ 464	\$ 417	\$ -	\$ 1,219	\$ 772	\$ -
-	-	-	-	-	-
-	-	10,259	-	-	-
-	-	-	-	-	-
\$ 464	\$ 417	\$ 10,259	\$ 1,219	\$ 772	\$ -
\$ -	\$ -	\$ 10,259	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	772	-
-	-	10,259	-	772	-
464	417	-	1,219	-	-
\$ 464	\$ 417	\$ 10,259	\$ 1,219	\$ 772	\$ -

continued...

COUNTY OF VAN BUREN, MICHIGAN
Combining Balance Sheet
Special Revenue Funds (Continued)
December 31, 2004

	State Homeland Security Grant	Law Enforcement Terrorism Prevention Program	Weapons of Mass Destruction
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 9,538
Accounts receivable	-	-	-
Due from other governments	127,077	40,710	-
Due from other funds	-	-	-
	<hr/>	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	<hr/> \$ 127,077	<hr/> \$ 40,710	<hr/> \$ 9,538 <hr/>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Interfund payable	\$ 108,234	\$ 40,710	\$ -
Accounts payable	18,745	-	285
Accrued liabilities	-	-	-
Due to other governments	-	-	-
Advance from other funds	-	-	-
Deferred revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	126,979	40,710	285
Fund balances			
Unreserved, undesignated	98	-	9,253
	<hr/>	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<hr/> \$ 127,077	<hr/> \$ 40,710	<hr/> \$ 9,538 <hr/>

CRBN Terrorism Planning	Human Services West	Dispatch Training	Register of Deeds Automation	Disaster Contingency	Remonu- mentation
\$ 27,163	\$ 48,543	\$ -	\$ 186,834	\$ 5,000	\$ -
-	-	-	-	-	-
20,000	-	-	-	-	25,337
-	-	-	-	-	-
\$ 47,163	\$ 48,543	\$ -	\$ 186,834	\$ 5,000	\$ 25,337
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,938
-	14,649	-	-	-	2,500
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	5,000	-
-	-	-	-	-	-
-	14,649	-	-	5,000	24,438
47,163	33,894	-	186,834	-	899
\$ 47,163	\$ 48,543	\$ -	\$ 186,834	\$ 5,000	\$ 25,337

continued...

COUNTY OF VAN BUREN, MICHIGAN
Combining Balance Sheet
Special Revenue Funds (Continued)
December 31, 2004

	Victims Advocates	Courthouse Security	Court Officers
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 17,054	\$ 1,029	\$ 88,025
Accounts receivable	-	-	-
Due from other governments	14,057	-	-
Due from other funds	-	-	-
	<hr/>	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	<u>\$ 31,111</u>	<u>\$ 1,029</u>	<u>\$ 88,025</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Interfund payable	\$ -	\$ -	\$ -
Accounts payable	-	-	-
Accrued liabilities	1,021	613	1,976
Due to other governments	-	-	-
Advance from other funds	-	-	-
Deferred revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	1,021	613	1,976
Fund balances			
Unreserved, undesignated	30,090	416	86,049
	<hr/>	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 31,111</u>	<u>\$ 1,029</u>	<u>\$ 88,025</u>

Drug Enforcement Federal	Drug Enforcement State	Drug Enforcement Prosecutor	Law Library	Safe Neighborhood Grant	Sheriff Corrections Training
\$ -	\$ 2,343	\$ 1,251	\$ 3,856	\$ -	\$ 17,608
-	13,493	-	432	-	-
2,606	8,883	-	-	18,515	-
-	-	-	-	-	-
\$ 2,606	\$ 24,719	\$ 1,251	\$ 4,288	\$ 18,515	\$ 17,608
\$ 2,606	\$ -	\$ -	\$ -	\$ 16,163	\$ -
-	1,139	-	4,288	-	-
-	1,836	-	-	2,352	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,606	2,975	-	4,288	18,515	-
-	21,744	1,251	-	-	17,608
\$ 2,606	\$ 24,719	\$ 1,251	\$ 4,288	\$ 18,515	\$ 17,608

continued...

COUNTY OF VAN BUREN, MICHIGAN
Combining Balance Sheet
Special Revenue Funds (Continued)
December 31, 2004

	Youth Services	Community Corrections	Housing
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 4,733	\$ 11,005	\$ 35,576
Accounts receivable	-	-	-
Due from other governments	-	37,854	18,557
Due from other funds	-	-	-
<u>TOTAL ASSETS</u>	\$ 4,733	\$ 48,859	\$ 54,133
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Interfund payable	\$ -	\$ -	\$ -
Accounts payable	728	376	-
Accrued liabilities	1,874	1,801	-
Due to other governments	-	-	-
Advance from other funds	-	-	-
Deferred revenue	-	-	10,022
Total liabilities	2,602	2,177	10,022
Fund balances			
Unreserved, undesignated	2,131	46,682	44,111
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 4,733	\$ 48,859	\$ 54,133

Housing Program Income	Live Scan Grant	Substance Abuse	Courthouse Restoration	Social Welfare	Family Counseling
\$ 71,447	\$ -	\$ -	\$ 509	\$ 174,399	\$ 22,614
-	-	-	-	-	-
-	-	8,666	-	-	-
-	-	-	-	-	-
\$ 71,447	\$ -	\$ 8,666	\$ 509	\$ 174,399	\$ 22,614
\$ -	\$ -	\$ 978	\$ -	\$ -	\$ -
-	-	7,218	-	-	80
-	-	470	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	152,404	-
-	-	8,666	-	152,404	80
71,447	-	-	509	21,995	22,534
\$ 71,447	\$ -	\$ 8,666	\$ 509	\$ 174,399	\$ 22,614

continued...

COUNTY OF VAN BUREN, MICHIGAN
Combining Balance Sheet
Special Revenue Funds (Concluded)
December 31, 2004

	FIA Child Care	Soldiers' and Sailors' Relief	Veterans' Trust
<hr/>			
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ -	\$ 52	\$ 7,773
Accounts receivable	-	-	-
Due from other governments	298,122	-	-
Due from other funds	-	-	-
<hr/>			
<u>TOTAL ASSETS</u>	\$ 298,122	\$ 52	\$ 7,773
<hr/>			
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Interfund payable	\$ 147,498	\$ -	\$ -
Accounts payable	56,039	-	-
Accrued liabilities	-	-	-
Due to other governments	94,585	-	-
Advance from other funds	-	-	-
Deferred revenue	-	-	-
<hr/>			
Total liabilities	298,122	-	-
Fund balances			
Unreserved, undesignated	-	52	7,773
<hr/>			
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 298,122	\$ 52	\$ 7,773
<hr/>			

Kal-Haven	
Trail	Total
<hr/>	
\$ 35,048	\$ 1,102,777
3,188	17,113
-	683,826
-	628
<hr/>	
\$ 38,236	\$ 1,804,344
<hr/> <hr/>	

\$ -	\$ 348,386
-	129,870
-	56,475
-	96,450
-	5,000
-	163,198
<hr/>	
-	799,379
38,236	1,004,965
<hr/>	

\$ 38,236	\$ 1,804,344
<hr/> <hr/>	

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Friend of the Court	Court Equity	MSU Building Strong Families
Revenue			
Intergovernmental	\$ 48,674	\$ -	\$ -
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	51,649	-	-
Interest and rentals	1,619	-	-
Other revenue	-	-	-
Total revenue	101,942	-	-
Expenditures			
Current:			
Judicial	1,447,582	46,545	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	8,079
Other	-	-	-
Capital outlay	-	1,975	-
Total expenditures	1,447,582	48,520	8,079
Revenue over (under) expenditures	(1,345,640)	(48,520)	(8,079)
Other financing sources			
Transfers in	1,378,181	49,000	-
Transfers out	-	-	-
Total other financing sources (uses)	1,378,181	49,000	-
Net change in fund balances	32,541	480	(8,079)
Fund balances, beginning of year	14,573	-	8,079
Fund balances, end of year	\$ 47,114	\$ 480	\$ -

[illegible]

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances (Continued)
Special Revenue Funds
For the Year Ended December 31, 2004

	911 Wireless	Planning Commission	Local Emergency Planning Committee
Revenue			
Intergovernmental	\$ -	\$ -	\$ 3,434
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	171,829	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenue	171,829	-	3,434
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
Judicial	-	-	-
General government	-	5,390	1,496
Public safety	118,102	-	-
Health and welfare	-	-	-
Other	-	-	-
Capital outlay	12,817	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	130,919	5,390	1,496
	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	40,910	(5,390)	1,938
	<hr/>	<hr/>	<hr/>
Other financing sources			
Transfers in	-	5,000	-
Transfers out	(2,350)	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(2,350)	5,000	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	38,560	(390)	1,938
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	77,329	406	7,456
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 115,889</u>	<u>\$ 16</u>	<u>\$ 9,394</u>

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances (Continued)
Special Revenue Funds
For the Year Ended December 31, 2004

	State Homeland Security Grant	Law Enforcement Terrorism Prevention Program	Weapons of Mass Destruction
Revenue			
Intergovernmental	\$ 128,139	\$ 40,710	\$ 2,028
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenue	128,139	40,710	2,028
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	128,041	40,710	8,057
Health and welfare	-	-	-
Other	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	128,041	40,710	8,057
	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	98	-	(6,029)
	<hr/>	<hr/>	<hr/>
Other financing sources			
Transfers in	-	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	98	-	(6,029)
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	-	-	15,282
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	\$ 98	\$ -	\$ 9,253
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CRBN Terrorism Planning	Human Services West	Dispatch Training	Register of Deeds Automation	Disaster Contingency	Remonu- mentation
\$ 131,164	\$ -	\$ -	\$ -	\$ -	\$ 63,137
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	122,530	-	-
-	94,420	-	1,334	-	-
-	-	-	-	-	1,400
131,164	94,420	-	123,864	-	64,537
-	-	-	-	-	-
-	129,592	-	17,103	-	110,681
84,001	-	4,239	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
84,001	129,592	4,239	17,103	-	110,681
47,163	(35,172)	(4,239)	106,761	-	(46,144)
-	-	2,350	-	-	30,250
-	-	-	-	-	-
-	-	2,350	-	-	30,250
47,163	(35,172)	(1,889)	106,761	-	(15,894)
-	69,066	1,889	80,073	-	16,793
\$ 47,163	\$ 33,894	\$ -	\$ 186,834	\$ -	\$ 899

continued...

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances (Continued)
Special Revenue Funds
For the Year Ended December 31, 2004

	Victims Advocates	Courthouse Security	Court Officers
Revenue			
Intergovernmental	\$ 14,057	\$ -	\$ -
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	1,737	-	126,285
	<hr/>	<hr/>	<hr/>
Total revenue	15,794	-	126,285
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	15,522	40,876	127,366
Health and welfare	-	-	-
Other	-	-	-
Capital outlay	-	-	32,317
	<hr/>	<hr/>	<hr/>
Total expenditures	15,522	40,876	159,683
	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	272	(40,876)	(33,398)
	<hr/>	<hr/>	<hr/>
Other financing sources			
Transfers in	-	41,254	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	41,254	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	272	378	(33,398)
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	29,818	38	119,447
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 30,090</u>	<u>\$ 416</u>	<u>\$ 86,049</u>

Drug Enforcement Federal	Drug Enforcement State	Drug Enforcement Prosecutor	Law Library	Safe Neighborhood Grant	Sheriff Corrections Training
\$ -	\$ 33,223	\$ -	\$ -	\$ 18,515	\$ -
-	-	-	-	-	-
-	28,663	1,133	6,500	-	-
-	-	-	-	-	27,472
-	-	-	-	-	-
28,275	1,883	-	-	-	-
28,275	63,769	1,133	6,500	18,515	27,472
-	-	-	29,209	-	-
-	-	-	-	-	-
41,915	86,893	310	-	27,975	9,864
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
41,915	86,893	310	29,209	27,975	9,864
(13,640)	(23,124)	823	(22,709)	(9,460)	17,608
13,640	-	-	22,653	9,460	-
-	-	-	-	-	-
13,640	-	-	22,653	9,460	-
-	(23,124)	823	(56)	-	17,608
-	44,868	428	56	-	-
\$ -	\$ 21,744	\$ 1,251	\$ -	\$ -	\$ 17,608

continued...

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances (Continued)
Special Revenue Funds
For the Year Ended December 31, 2004

	Youth Services	Community Corrections	Housing
Revenue			
Intergovernmental	\$ -	\$ 325,667	\$ 181,156
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	17,188	-
Interest and rentals	-	-	-
Other revenue	16,403	-	30,211
	<hr/>	<hr/>	<hr/>
Total revenue	16,403	342,855	211,367
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	133,225	329,547	-
Health and welfare	-	-	354,864
Other	-	-	-
Capital outlay	300	600	-
	<hr/>	<hr/>	<hr/>
Total expenditures	133,525	330,147	354,864
	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(117,122)	12,708	(143,497)
	<hr/>	<hr/>	<hr/>
Other financing sources			
Transfers in	114,957	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	114,957	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(2,165)	12,708	(143,497)
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	4,296	33,974	187,608
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	\$ 2,131	\$ 46,682	\$ 44,111
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Housing Program Income	Live Scan Grant	Substance Abuse	Courthouse Restoration	Social Welfare	Family Counseling
\$ -	\$ 13,985	\$ 95,502	\$ -	\$ 420,092	\$ -
-	-	-	-	-	7,950
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
114,860	-	-	710	-	-
114,860	13,985	95,502	710	420,092	7,950
-	-	-	-	-	-
-	-	-	-	-	-
-	18,985	-	-	-	-
43,413	-	99,291	3,430	427,621	3,170
-	-	-	-	-	-
-	-	-	-	-	-
43,413	18,985	99,291	3,430	427,621	3,170
71,447	(5,000)	(3,789)	(2,720)	(7,529)	4,780
-	5,000	3,489	-	-	-
-	-	-	-	-	-
-	5,000	3,489	-	-	-
71,447	-	(300)	(2,720)	(7,529)	4,780
-	-	300	3,229	29,524	17,754
\$ 71,447	\$ -	\$ -	\$ 509	\$ 21,995	\$ 22,534

continued...

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances (Concluded)
Special Revenue Funds
For the Year Ended December 31, 2004

	FIA Child Care	Soldiers' and Sailors' Relief	Veterans' Trust
Revenue			
Intergovernmental	\$ 792,805	\$ -	\$ 19,591
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	309,849	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	1,102,654	-	19,591
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	2,856,185	2,400	12,755
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	2,856,185	2,400	12,755
Revenue over (under) expenditures	(1,753,531)	(2,400)	6,836
Other financing sources			
Transfers in	1,423,628	2,400	-
Transfers out	-	-	-
Total other financing sources (uses)	1,423,628	2,400	-
Net change in fund balances	(329,903)	-	6,836
Fund balances, beginning of year	329,903	52	937
Fund balances, end of year	\$ -	\$ 52	\$ 7,773

Kal-Haven		
Trail	Total	
<hr/>		
\$ -	\$ 2,543,466	
-	7,950	
-	36,296	
63,163	1,164,362	
-	97,373	
2,796	324,560	
<hr/>		
65,959	4,174,007	
<hr/>		
-	1,523,336	
-	264,262	
-	2,361,205	
-	3,811,633	
27,723	27,723	
-	288,450	
<hr/>		
27,723	8,276,609	
<hr/>		
38,236	(4,102,602)	
<hr/>		
-	3,897,499	
-	(7,350)	
<hr/>		
-	3,890,149	
<hr/>		
38,236	(212,453)	
<hr/>		
-	1,217,418	
<hr/>		
\$ 38,236	\$ 1,004,965	
<hr/>		

COUNTY OF VAN BUREN, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Friend of the Court		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Intergovernmental	\$ 112,590	\$ 48,674	\$ (63,916)
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	72,620	51,649	(20,971)
Interest and rentals	1,000	1,619	619
Other revenue	-	-	-
Total revenue	186,210	101,942	(84,268)
Expenditures			
Current:			
Judicial	1,585,417	1,447,582	(137,835)
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Other	-	-	-
Capital outlay	9,500	-	(9,500)
Total expenditures	1,594,917	1,447,582	(147,335)
Revenue over (under) expenditures	(1,408,707)	(1,345,640)	63,067
Other financing sources			
Transfers in	1,378,181	1,378,181	-
Transfers out	-	-	-
Total other financing sources (uses)	1,378,181	1,378,181	-
Net change in fund balances	(30,526)	32,541	63,067
Fund balances, beginning of year	14,573	14,573	-
Fund balances, end of year	\$ (15,953)	\$ 47,114	\$ 63,067

Court Equity			MSU Building Strong Families		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
53,000	46,545	(6,455)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	8,079	8,079
-	-	-	-	-	-
3,000	1,975	(1,025)	-	-	-
56,000	48,520	(7,480)	-	8,079	8,079
(56,000)	(48,520)	7,480	-	(8,079)	(8,079)
56,000	49,000	(7,000)	-	-	-
-	-	-	-	-	-
56,000	49,000	(7,000)	-	-	-
-	480	480	-	(8,079)	(8,079)
-	-	-	8,079	8,079	-
\$ -	\$ 480	\$ 480	\$ 8,079	\$ -	\$ (8,079)

continued...

COUNTY OF VAN BUREN, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	MSU Car Seat Program		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Intergovernmental	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	-	-	-
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	425	425
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	-	425	425
Revenue over (under) expenditures	-	(425)	(425)
Other financing sources			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	(425)	(425)
Fund balances, beginning of year	425	425	-
Fund balances, end of year	\$ 425	\$ -	\$ (425)

Jail Enhancement			Collection Agency		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
7,000	10,600	3,600	92,713	139,112	46,399
-	-	-	-	-	-
-	-	-	-	-	-
7,000	10,600	3,600	92,713	139,112	46,399
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,996	8,142	146	103,220	93,124	(10,096)
-	-	-	-	-	-
-	-	-	-	-	-
-	4,695	4,695	500	-	(500)
7,996	12,837	4,841	103,720	93,124	(10,596)
(996)	(2,237)	(1,241)	(11,007)	45,988	56,995
-	-	-	-	-	-
-	(5,000)	(5,000)	-	-	-
-	(5,000)	(5,000)	-	-	-
(996)	(7,237)	(6,241)	(11,007)	45,988	56,995
34,179	34,179	-	53,503	53,503	-
\$ 33,183	\$ 26,942	\$ (6,241)	\$ 42,496	\$ 99,491	\$ 56,995

COUNTY OF VAN BUREN, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	60% Justice Training		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Intergovernmental	\$ 7,800	\$ 10,608	\$ 2,808
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	7,800	10,608	2,808
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	7,800	10,245	2,445
Health and welfare	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	7,800	10,245	2,445
Revenue over (under) expenditures	-	363	363
Other financing sources			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	363	363
Fund balances, beginning of year	10,198	10,198	-
Fund balances, end of year	\$ 10,198	\$ 10,561	\$ 363

911 Dispatch			PFSA Grant		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ 99,035	\$ 99,035
-	-	-	-	-	-
-	-	-	-	-	-
240,000	250,970	10,970	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
240,000	250,970	10,970	-	99,035	99,035
-	-	-	-	-	-
-	-	-	-	-	-
864,173	836,778	(27,395)	-	96,921	96,921
-	-	-	-	-	-
-	-	-	-	-	-
2,900	713	(2,187)	-	-	-
867,073	837,491	(29,582)	-	96,921	96,921
(627,073)	(586,521)	40,552	-	2,114	2,114
601,440	562,716	(38,724)	-	-	-
-	-	-	-	-	-
601,440	562,716	(38,724)	-	-	-
(25,633)	(23,805)	1,828	-	2,114	2,114
23,900	23,900	-	-	-	-
\$ (1,733)	\$ 95	\$ 1,828	\$ -	\$ 2,114	\$ 2,114

continued...

COUNTY OF VAN BUREN, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	911 Wireless		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Intergovernmental	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	122,672	171,829	49,157
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	122,672	171,829	49,157
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	134,748	118,102	(16,646)
Health and welfare	-	-	-
Other	-	-	-
Capital outlay	15,500	12,817	(2,683)
Total expenditures	150,248	130,919	(19,329)
Revenue over (under) expenditures	(27,576)	40,910	68,486
Other financing sources			
Transfers in	-	-	-
Transfers out	-	(2,350)	(2,350)
Total other financing sources (uses)	-	(2,350)	(2,350)
Net change in fund balances	(27,576)	38,560	66,136
Fund balances, beginning of year	77,329	77,329	-
Fund balances, end of year	\$ 49,753	\$ 115,889	\$ 66,136

Planning Commission			Local Emergency Planning Committee		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ 1,200	\$ 3,434	\$ 2,234
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,200	3,434	2,234
-	-	-	-	-	-
8,500	5,390	(3,110)	1,060	1,496	436
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,500	5,390	(3,110)	1,060	1,496	436
(8,500)	(5,390)	3,110	140	1,938	1,798
8,500	5,000	(3,500)	-	-	-
-	-	-	-	-	-
8,500	5,000	(3,500)	-	-	-
-	(390)	(390)	140	1,938	1,798
406	406	-	7,456	7,456	-
\$ 406	\$ 16	\$ (390)	\$ 7,596	\$ 9,394	\$ 1,798

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COUNTY OF VAN BUREN, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Public Improvement		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Intergovernmental	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	-	-	-
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Other	-	-	-
Capital outlay	-	235,033	235,033
Total expenditures	-	235,033	235,033
Revenue over (under) expenditures	-	(235,033)	(235,033)
Other financing sources			
Transfers in	-	233,462	233,462
Transfers out	-	-	-
Total other financing sources (uses)	-	233,462	233,462
Net change in fund balances	-	(1,571)	(1,571)
Fund balances, beginning of year	2,035	2,035	-
Fund balances, end of year	\$ 2,035	\$ 464	\$ (1,571)

REP Equipment Grant			SAP Grant		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ 47,974	\$ 56,404	\$ 8,430	\$ 43,000	\$ 32,137	\$ (10,863)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
47,974	56,404	8,430	43,000	32,137	(10,863)
-	-	-	-	-	-
-	-	-	-	-	-
57,974	55,987	(1,987)	43,000	32,137	(10,863)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
57,974	55,987	(1,987)	43,000	32,137	(10,863)
(10,000)	417	10,417	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(10,000)	417	10,417	-	-	-
-	-	-	-	-	-
\$ (10,000)	\$ 417	\$ 10,417	\$ -	\$ -	\$ -

continued...

COUNTY OF VAN BUREN, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Threat Assessment Grant		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Intergovernmental	\$ 6,976	\$ 6,976	\$ (0)
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	6,976	6,976	(0)
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	3,400	5,757	2,357
Health and welfare	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	3,400	5,757	2,357
Revenue over (under) expenditures	3,576	1,219	(2,357)
Other financing sources			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	3,576	1,219	(2,357)
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ 3,576	\$ 1,219	\$ (2,357)

Security Training Grant			Emergency Alert System		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ 95,950	\$ 3,734	\$ (92,216)	\$ 4,069	\$ 2,693	\$ (1,376)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
95,950	3,734	(92,216)	4,069	2,693	(1,376)
-	-	-	-	-	-
-	-	-	-	-	-
84,200	3,734	(80,466)	5,426	2,752	(2,674)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
84,200	3,734	(80,466)	5,426	2,752	(2,674)
11,750	-	(11,750)	(1,357)	(59)	1,298
-	-	-	1,357	59	(1,298)
-	-	-	-	-	-
-	-	-	1,357	59	(1,298)
11,750	-	(11,750)	-	-	-
-	-	-	-	-	-
\$ 11,750	\$ -	\$ (11,750)	\$ -	\$ -	\$ -

continued...

COUNTY OF VAN BUREN, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	State Homeland Security Grant		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Intergovernmental	\$ 12,000	\$ 128,139	\$ 116,139
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	12,000	128,139	116,139
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	128,041	128,041
Health and welfare	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	-	128,041	128,041
Revenue over (under) expenditures	12,000	98	(11,902)
Other financing sources			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	12,000	98	(11,902)
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ 12,000	\$ 98	\$ (11,902)

Law Enforcement Terrorism Prevention Program			Weapons of Mass Destruction		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ 40,710	\$ 40,710	\$ -	\$ 2,028	\$ 2,028
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	40,710	40,710	-	2,028	2,028
-	-	-	-	-	-
-	-	-	-	-	-
-	40,710	40,710	-	8,057	8,057
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	40,710	40,710	-	8,057	8,057
-	-	-	-	(6,029)	(6,029)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(6,029)	(6,029)
-	-	-	15,282	15,282	-
\$ -	\$ -	\$ -	\$ 15,282	\$ 9,253	\$ (6,029)

continued...

COUNTY OF VAN BUREN, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	CRBN Terrorism Planning		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Intergovernmental	\$ -	\$ 131,164	\$ 131,164
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	-	131,164	131,164
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	84,001	84,001
Health and welfare	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	-	84,001	84,001
Revenue over (under) expenditures	-	47,163	47,163
Other financing sources			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	47,163	47,163
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ 47,163	\$ 47,163

Human Services West			Dispatch Training		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ 4,678	\$ -	\$ (4,678)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,678	-	(4,678)
114,840	94,420	(20,420)	-	-	-
-	-	-	-	-	-
114,840	94,420	(20,420)	9,356	-	(9,356)
-	-	-	-	-	-
108,150	129,592	21,442	4,678	-	(4,678)
-	-	-	4,678	4,239	(439)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
108,150	129,592	21,442	9,356	4,239	(5,117)
6,690	(35,172)	(41,862)	-	(4,239)	(4,239)
-	-	-	-	2,350	2,350
-	-	-	-	-	-
-	-	-	-	2,350	2,350
6,690	(35,172)	(41,862)	-	(1,889)	(1,889)
69,066	69,066	-	1,889	1,889	-
\$ 75,756	\$ 33,894	\$ (41,862)	\$ 1,889	\$ -	\$ (1,889)

continued...

COUNTY OF VAN BUREN, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Register of Deeds Automation		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Intergovernmental	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	145,000	122,530	(22,470)
Interest and rentals	100	1,334	1,234
Other revenue	-	-	-
Total revenue	145,100	123,864	(21,236)
Expenditures			
Current:			
Judicial	-	-	-
General government	160,000	17,103	(142,897)
Public safety	-	-	-
Health and welfare	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	160,000	17,103	(142,897)
Revenue over (under) expenditures	(14,900)	106,761	121,661
Other financing sources			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	(14,900)	106,761	121,661
Fund balances, beginning of year	80,073	80,073	-
Fund balances, end of year	\$ 65,173	\$ 186,834	\$ 121,661

Disaster Contingency			Remonumentation		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ 66,469	\$ 63,137	\$ (3,332)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	400	1,400	1,000
-	-	-	66,869	64,537	(2,332)
-	-	-	-	-	-
-	-	-	81,669	110,681	29,012
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	81,669	110,681	29,012
-	-	-	(14,800)	(46,144)	(31,344)
-	-	-	15,000	30,250	15,250
-	-	-	-	-	-
-	-	-	15,000	30,250	15,250
-	-	-	200	(15,894)	(16,094)
-	-	-	16,793	16,793	-
\$ -	\$ -	\$ -	\$ 16,993	\$ 899	\$ (16,094)

continued...

COUNTY OF VAN BUREN, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Victims Advocates		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Intergovernmental	\$ 2,670	\$ 14,057	\$ 11,387
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	1,000	1,737	737
Total revenue	3,670	15,794	12,124
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	2,590	15,522	12,932
Health and welfare	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	2,590	15,522	12,932
Revenue over (under) expenditures	1,080	272	(808)
Other financing sources			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	1,080	272	(808)
Fund balances, beginning of year	29,818	29,818	-
Fund balances, end of year	\$ 30,898	\$ 30,090	\$ (808)

Courthouse Security			Court Officers		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ 10,000	\$ -	\$ (10,000)	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	100,000	126,285	26,285
10,000	-	(10,000)	100,000	126,285	26,285
-	-	-	-	-	-
-	-	-	-	-	-
44,218	40,876	(3,342)	80,260	127,366	47,106
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	32,317	32,317
44,218	40,876	(3,342)	80,260	159,683	79,423
(34,218)	(40,876)	(6,658)	19,740	(33,398)	(53,138)
1,168	41,254	40,086	-	-	-
-	-	-	(20,000)	-	20,000
1,168	41,254	40,086	(20,000)	-	20,000
(33,050)	378	33,428	(260)	(33,398)	(33,138)
38	38	-	119,447	119,447	-
\$ (33,012)	\$ 416	\$ 33,428	\$ 119,187	\$ 86,049	\$ (33,138)

continued...

COUNTY OF VAN BUREN, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Drug Enforcement Federal		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Intergovernmental	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	5,000	28,275	23,275
Total revenue	5,000	28,275	23,275
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	5,477	41,915	36,439
Health and welfare	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	5,477	41,915	36,439
Revenue over (under) expenditures	(477)	(13,640)	(13,164)
Other financing sources			
Transfers in	-	13,640	13,640
Transfers out	-	-	-
Total other financing sources (uses)	-	13,640	13,640
Net change in fund balances	(477)	-	477
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ (477)	\$ -	\$ 477

Drug Enforcement State			Drug Enforcement Prosecutor		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ 32,550	\$ 33,223	\$ 673	\$ -	\$ -	\$ -
-	-	-	-	-	-
36,558	28,663	(7,895)	1,000	1,133	133
-	-	-	-	-	-
-	-	-	-	-	-
10,000	1,883	(8,117)	-	-	-
79,108	63,769	(15,339)	1,000	1,133	133
-	-	-	-	-	-
-	-	-	-	-	-
81,329	86,893	5,564	3,000	310	(2,690)
-	-	-	-	-	-
-	-	-	-	-	-
1,000	-	(1,000)	-	-	-
82,329	86,893	4,564	3,000	310	(2,690)
(3,221)	(23,124)	(19,903)	(2,000)	823	2,823
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(3,221)	(23,124)	(19,903)	(2,000)	823	2,823
44,868	44,868	-	428	428	-
\$ 41,647	\$ 21,744	\$ (19,903)	\$ (1,572)	\$ 1,251	\$ 2,823

continued...

COUNTY OF VAN BUREN, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Law Library		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Intergovernmental	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Fines and forfeits	6,500	6,500	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	6,500	6,500	-
Expenditures			
Current:			
Judicial	20,000	29,209	9,209
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	20,000	29,209	9,209
Revenue over (under) expenditures	(13,500)	(22,709)	(9,209)
Other financing sources			
Transfers in	13,500	22,653	9,153
Transfers out	-	-	-
Total other financing sources (uses)	13,500	22,653	9,153
Net change in fund balances	-	(56)	(56)
Fund balances, beginning of year	56	56	-
Fund balances, end of year	\$ 56	\$ -	\$ (56)

Safe Neighborhood Grant			Sheriff Corrections Training		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ 50,000	\$ 18,515	\$ (31,485)	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	11,000	27,472	16,472
-	-	-	-	-	-
-	-	-	-	-	-
50,000	18,515	(31,485)	11,000	27,472	16,472
-	-	-	-	-	-
-	-	-	-	-	-
89,078	27,975	(61,103)	11,000	9,864	(1,136)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
89,078	27,975	(61,103)	11,000	9,864	(1,136)
(39,078)	(9,460)	29,618	-	17,608	17,608
21,225	9,460	(11,765)	-	-	-
-	-	-	-	-	-
21,225	9,460	(11,765)	-	-	-
(17,853)	-	17,853	-	17,608	17,608
-	-	-	-	-	-
\$ (17,853)	\$ -	\$ 17,853	\$ -	\$ 17,608	\$ 17,608

continued...

COUNTY OF VAN BUREN, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Youth Services		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Intergovernmental	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	15,819	16,403	584
Total revenue	15,819	16,403	584
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	140,599	133,225	(7,374)
Health and welfare	-	-	-
Other	-	-	-
Capital outlay	300	300	-
Total expenditures	140,899	133,525	(7,374)
Revenue over (under) expenditures	(125,080)	(117,122)	7,958
Other financing sources			
Transfers in	116,889	114,957	(1,932)
Transfers out	-	-	-
Total other financing sources (uses)	116,889	114,957	(1,932)
Net change in fund balances	(8,191)	(2,165)	6,026
Fund balances, beginning of year	4,296	4,296	-
Fund balances, end of year	\$ (3,895)	\$ 2,131	\$ 6,026

Community Corrections			Housing		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ 261,372	\$ 325,667	\$ 64,295	\$ 649,200	\$ 181,156	\$ (468,044)
-	-	-	-	-	-
-	-	-	-	-	-
12,000	17,188	5,188	-	-	-
-	-	-	-	-	-
-	-	-	-	30,211	30,211
273,372	342,855	69,483	649,200	211,367	(437,833)
-	-	-	-	-	-
-	-	-	-	-	-
275,965	329,547	53,582	-	-	-
-	-	-	649,200	354,864	(294,336)
-	-	-	-	-	-
1,500	600	(900)	-	-	-
277,465	330,147	52,682	649,200	354,864	(294,336)
(4,093)	12,708	16,801	-	(143,497)	(143,497)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(4,093)	12,708	16,801	-	(143,497)	(143,497)
33,974	33,974	-	187,608	187,608	-
\$ 29,881	\$ 46,682	\$ 16,801	\$ 187,608	\$ 44,111	\$ (143,497)

continued...

COUNTY OF VAN BUREN, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Housing Program Income		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Intergovernmental	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	-	114,860	114,860
Total revenue	-	114,860	114,860
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	43,413	43,413
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	-	43,413	43,413
Revenue over (under) expenditures	-	71,447	71,447
Other financing sources			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	71,447	71,447
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ 71,447	\$ 71,447

Live Scan Grant			Substance Abuse		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ 15,000	\$ 13,985	\$ (1,015)	\$ 72,000	\$ 95,502	\$ 23,502
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,000	13,985	(1,015)	72,000	95,502	23,502
-	-	-	-	-	-
-	-	-	-	-	-
18,985	18,985	-	-	-	-
1,015	-	(1,015)	90,653	99,291	8,638
-	-	-	-	-	-
-	-	-	-	-	-
20,000	18,985	(1,015)	90,653	99,291	8,638
(5,000)	(5,000)	-	(18,653)	(3,789)	14,864
5,000	5,000	-	24,318	3,489	(20,829)
-	-	-	-	-	-
5,000	5,000	-	24,318	3,489	(20,829)
-	-	-	5,665	(300)	(5,965)
-	-	-	300	300	-
\$ -	\$ -	\$ -	\$ 5,965	\$ -	\$ (5,965)

continued...

COUNTY OF VAN BUREN, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Courthouse Restoration		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Intergovernmental	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	500	710	210
Total revenue	500	710	210
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	1,500	3,430	1,930
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	1,500	3,430	1,930
Revenue over (under) expenditures	(1,000)	(2,720)	(1,720)
Other financing sources			
Transfers in	1,000	-	(1,000)
Transfers out	-	-	-
Total other financing sources (uses)	1,000	-	(1,000)
Net change in fund balances	-	(2,720)	(2,720)
Fund balances, beginning of year	3,229	3,229	-
Fund balances, end of year	\$ 3,229	\$ 509	\$ (2,720)

Social Welfare			Family Counseling		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ 420,092	\$ 420,092	\$ -	\$ -	\$ -
-	-	-	9,000	7,950	(1,050)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	420,092	420,092	9,000	7,950	(1,050)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	427,621	427,621	9,000	3,170	(5,830)
-	-	-	-	-	-
-	-	-	-	-	-
-	427,621	427,621	9,000	3,170	(5,830)
-	(7,529)	(7,529)	-	4,780	4,780
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(7,529)	(7,529)	-	4,780	4,780
29,524	29,524	-	17,754	17,754	-
\$ 29,524	\$ 21,995	\$ (7,529)	\$ 17,754	\$ 22,534	\$ 4,780

continued...

COUNTY OF VAN BUREN, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	FIA Child Care		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Intergovernmental	\$ 1,014,000	\$ 792,805	\$ (221,195)
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Charges for services	275,000	309,849	34,849
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	1,289,000	1,102,654	(186,346)
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	2,707,500	2,856,185	148,685
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	2,707,500	2,856,185	148,685
Revenue over (under) expenditures	(1,418,500)	(1,753,531)	(335,031)
Other financing sources			
Transfers in	1,418,500	1,423,628	5,128
Transfers out	-	-	-
Total other financing sources (uses)	1,418,500	1,423,628	5,128
Net change in fund balances	-	(329,903)	(329,903)
Fund balances, beginning of year	329,903	329,903	-
Fund balances, end of year	\$ 329,903	\$ -	\$ (329,903)

Soldiers' and Sailors' Relief			Veterans' Trust		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ 15,000	\$ 19,591	\$ 4,591
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	15,000	19,591	4,591
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,000	2,400	1,400	15,000	12,755	(2,245)
-	-	-	-	-	-
-	-	-	-	-	-
1,000	2,400	1,400	15,000	12,755	(2,245)
(1,000)	(2,400)	(1,400)	-	6,836	6,836
1,000	2,400	1,400	-	-	-
-	-	-	-	-	-
1,000	2,400	1,400	-	-	-
-	-	-	-	6,836	6,836
52	52	-	937	937	-
\$ 52	\$ 52	\$ -	\$ 937	\$ 7,773	\$ 6,836

COUNTY OF VAN BUREN, MICHIGAN
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2004

	911 System	Building Authority 1989 HSE Building 1997A	Building Authority 1990 DSS Building 1997B
Assets			
Cash and cash equivalents	\$ 1,892	\$ -	\$ -
Fund balances			
Unreserved, undesignated	\$ 1,892	\$ -	\$ -

Building Authority 1991 HSW Renovation 1997C	Building Authority Jail	Total
\$ -	\$ -	\$ 1,892

\$ -	\$ -	\$ 1,892
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COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2004

	911 System	Building Authority 1989 HSE Building 1997A	Building Authority 1990 DSS Building 1997B
Revenue			
Other	\$ -	\$ -	\$ -
Expenditures			
Debt service:			
Principal	260,000	145,000	265,000
Interest and fiscal charges	44,799	48,080	84,145
Total expenditures	304,799	193,080	349,145
Revenue (under) expenditures	(304,799)	(193,080)	(349,145)
Other financing sources			
Transfers in	306,180	193,080	349,145
Net change in fund balances	1,381	-	-
Fund balances, beginning of year	511	-	-
Fund balances, end of year	\$ 1,892	\$ -	\$ -

Building Authority 1991 HSW Renovation 1997C	Building Authority Jail	Total
<hr/>		
\$ -	\$ -	\$ -
<hr/>		
80,000	180,000	930,000
41,015	63,068	281,107
<hr/>		
121,015	243,068	1,211,107
<hr/>		
(121,015)	(243,068)	(1,211,107)
<hr/>		
121,015	243,068	1,212,488
<hr/>		
-	-	1,381
<hr/>		
-	-	511
<hr/>		
\$ -	\$ -	\$ 1,892
<hr/>		

COUNTY OF VAN BUREN, MICHIGAN
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2004

	911 System	Building Authority Construction Jail	Total
<hr/>			
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 32,393	\$ 22,595	\$ 54,988
<hr/>			
Fund balances			
Unreserved, undesignated	\$ 32,393	\$ 22,595	\$ 54,988
<hr/>			

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Year Ended December 31, 2004

	911 System	Building Authority Construction Jail	Total
Revenue			
Interest and rentals	\$ 138	\$ 205	\$ 343
Expenditures			
Capital outlay	-	-	-
Net change in fund balances	138	205	343
Fund balances, beginning of year	32,255	22,390	54,645
Fund balances, end of year	\$ 32,393	\$ 22,595	\$ 54,988

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2004

	<u>Commissary</u>	<u>Public Transit</u>	<u>Summer Tax Collection</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 7,347	\$ 172,366	\$ -
Accounts receivable	-	29,669	-
Due from other governments	-	17,698	-
Inventory, at cost	-	7,453	-
Prepaid expenses	-	4,847	-
Total current assets	<u>7,347</u>	<u>232,033</u>	<u>-</u>
Capital assets being depreciated, net	<u>-</u>	<u>681,715</u>	<u>-</u>
Total assets	<u>7,347</u>	<u>913,748</u>	<u>-</u>
Liabilities			
Current liabilities:			
Accounts payable	364	37,188	-
Accrued expenses	-	23,567	-
Total current liabilities	<u>364</u>	<u>60,755</u>	<u>-</u>
Long-term debt, due in more than one year	<u>-</u>	<u>38,805</u>	<u>-</u>
Total liabilities	<u>364</u>	<u>99,560</u>	<u>-</u>
Net assets			
Invested in capital assets	-	681,715	-
Unrestricted	<u>6,983</u>	<u>132,473</u>	<u>-</u>
Total net assets	<u>\$ 6,983</u>	<u>\$ 814,188</u>	<u>\$ -</u>

Homestead Denial Interest		Total	
\$	10,519	\$	190,232
	-		29,669
	-		17,698
	-		7,453
	-		4,847
	10,519		249,899
	-		681,715
	10,519		931,614
	-		37,552
	-		23,567
	-		61,119
	-		38,805
	-		99,924
	-		681,715
	10,519		149,975
\$	10,519	\$	831,690

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2004

	<u>Commissary</u>	<u>Public Transit</u>	<u>Summer Tax Collection</u>
Operating revenue			
Charges for services	\$ 125,275	\$ 189,139	\$ 24,300
Operating expense			
Administration	-	150,577	-
Operations	123,625	725,444	24,300
Maintenance	-	84,322	-
Depreciation	-	179,400	-
Total operating expense	123,625	1,139,743	24,300
Operating income (loss)	1,650	(950,604)	-
Non-operating revenue			
Interest revenue	-	2,075	-
Intergovernmental revenue	-	589,994	-
Other	-	6,521	-
Total non-operating revenue	-	598,590	-
Net income (loss) before capital contributions	1,650	(352,014)	-
Capital contributions	-	346,071	-
Change in net assets	1,650	(5,943)	-
Net assets, beginning of year	5,333	820,131	-
Net assets, end of year	<u>\$ 6,983</u>	<u>\$ 814,188</u>	<u>\$ -</u>

Homestead Denial Interest	Total
<u>\$ 28,151</u>	<u>\$ 366,865</u>
-	150,577
17,632	891,001
-	84,322
-	179,400
<u>17,632</u>	<u>1,305,300</u>
<u>10,519</u>	<u>(938,435)</u>
-	2,075
-	589,994
-	6,521
<u>-</u>	<u>598,590</u>
10,519	(339,845)
<u>-</u>	<u>346,071</u>
10,519	6,226
<u>-</u>	<u>825,464</u>
<u>\$ 10,519</u>	<u>\$ 831,690</u>

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2004

	<u>Commissary</u>	<u>Public Transit</u>	<u>Summer Tax Collection</u>
Cash flows from operating activities			
Cash received from customers	\$ 125,275	\$ 183,562	\$ 24,300
Cash payments to suppliers	(127,060)	(461,712)	(24,300)
Cash payments to employees	-	(537,392)	-
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by operating activities	(1,785)	(815,542)	-
	<hr/>	<hr/>	<hr/>
Cash flows from capital and related financing activities			
Purchase of capital assets	-	(346,071)	-
Capital contributions	-	346,071	-
	<hr/>	<hr/>	<hr/>
Net cash (used) by capital and related financing activities	-	-	-
	<hr/>	<hr/>	<hr/>
Cash flows from non-capital financing activities			
Intergovernmental revenue	-	589,994	-
Other	-	6,521	-
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by non-capital financing activities	-	596,515	-
	<hr/>	<hr/>	<hr/>
Cash flows from investing activities			
Interest earnings	-	2,075	-
	<hr/>	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	(1,785)	(216,952)	-
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents, beginning of year	9,132	389,318	-
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents, end of year	<u>\$ 7,347</u>	<u>\$ 172,366</u>	<u>\$ -</u>

Homestead Denial Interest		Total
<hr/>		
\$	28,151	\$ 361,288
	(17,632)	(630,704)
	-	(537,392)
<hr/>		
	10,519	(806,808)
<hr/>		
	-	(346,071)
	-	346,071
<hr/>		
	-	-
<hr/>		
	-	589,994
	-	6,521
<hr/>		
	-	596,515
<hr/>		
	-	2,075
<hr/>		
	10,519	(208,218)
	-	398,450
<hr/>		
\$	10,519	\$ 190,232
<hr/>		

Continued...

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (Concluded)
For the Year Ended December 31, 2004

	<u>Commissary</u>	<u>Public Transit</u>	<u>Summer Tax Collection</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 1,650	\$ (950,604)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	179,400	-
Changes in assets and liabilities:			
Accounts receivable	-	(13,943)	-
Due from other governments	-	8,366	-
Inventory, at cost	-	(4,456)	-
Prepaid expenses	-	4,136	-
Accounts payable	(3,435)	(48,558)	-
Accrued expenses	-	13,909	-
Due to other governments	-	(13,783)	-
Compensated absences payable	-	9,991	-
Net cash provided (used) by operating activities	<u>\$ (1,785)</u>	<u>\$ (815,542)</u>	<u>\$ -</u>

Delinquent Tax Forfeitures	Total
\$ 10,519	\$ (938,435)
-	179,400
-	(13,943)
-	8,366
-	(4,456)
-	4,136
-	(51,993)
-	13,909
-	(13,783)
-	9,991
<u>\$ 10,519</u>	<u>\$ (806,808)</u>

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Net Assets
Internal Service Funds
December 31, 2004

	Computer	Computer Mapping	Tax Services
Assets			
Current assets:			
Cash and cash equivalents	\$ 23,534	\$ 5,636	\$ 25,643
Accounts receivable	-	-	7,926
Inventories	1,000	-	-
Total current assets	<u>24,534</u>	<u>5,636</u>	<u>33,569</u>
Capital assets being depreciated, net	<u>20,921</u>	<u>-</u>	<u>-</u>
Total assets	<u>45,455</u>	<u>5,636</u>	<u>33,569</u>
Current liabilities			
Accounts payable	16,197	-	-
Due to other governments	85	-	-
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>16,282</u>	<u>-</u>	<u>-</u>
Net assets			
Invested in capital assets	20,921	-	-
Unrestricted	<u>8,252</u>	<u>5,636</u>	<u>33,569</u>
Total net assets	<u>\$ 29,173</u>	<u>\$ 5,636</u>	<u>\$ 33,569</u>

Fringe Benefits		Total	
		<hr/>	
\$	176,406	\$	231,219
	-		7,926
	-		1,000
<hr/>		<hr/>	
	176,406		240,145
<hr/>		<hr/>	
	-		20,921
<hr/>		<hr/>	
	176,406		261,066
<hr/>		<hr/>	
	4,747		20,944
	-		85
	10,000		10,000
<hr/>		<hr/>	
	14,747		31,029
<hr/>		<hr/>	
	-		20,921
	161,659		209,116
<hr/>		<hr/>	
\$	161,659	\$	230,037
<hr/>		<hr/>	

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2004

	<u>Computer</u>	<u>Computer Mapping</u>	<u>Tax Services</u>
Operating revenue			
Charges for services	\$ -	\$ 4,893	\$ -
Operating expense			
Personnel	-	-	-
Materials and supplies	211,273	-	-
Other	48,328	-	-
Depreciation	16,411	-	-
Total operating expense	276,012	-	-
Operating income (loss)	(276,012)	4,893	-
Non-operating revenue			
Interest earned on investments	-	-	-
Income (loss) before transfers	(276,012)	4,893	-
Transfers in	275,000	-	-
Change in net assets	(1,012)	4,893	-
Net assets, beginning of year	30,185	743	33,569
Net assets, end of year	<u>\$ 29,173</u>	<u>\$ 5,636</u>	<u>\$ 33,569</u>

Fringe Benefits	Total
<hr/>	<hr/>
\$ 3,692,006	\$ 3,696,899
<hr/>	<hr/>
3,531,854	3,531,854
-	211,273
-	48,328
-	16,411
<hr/>	<hr/>
3,531,854	3,807,866
<hr/>	<hr/>
160,152	(110,967)
<hr/>	<hr/>
35	35
<hr/>	<hr/>
160,187	(110,932)
-	275,000
<hr/>	<hr/>
160,187	164,068
<hr/>	<hr/>
1,472	65,969
<hr/>	<hr/>
\$ 161,659	\$ 230,037
<hr/>	<hr/>

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2004

	<u>Computer</u>	<u>Computer Mapping</u>	<u>Tax Services</u>
Cash flows from operating activities			
Cash received from interfund services	\$ -	\$ 4,893	\$ -
Cash payments to suppliers	(251,466)	-	-
Net cash provided (used) by operating activities	(251,466)	4,893	-
Cash flows from non-capital financing activities			
Transfers in	275,000	-	-
Cash flows from investing activities			
Interest earnings	-	-	-
Net increase (decrease) in cash and cash equivalents	23,534	4,893	-
Cash and cash equivalents, beginning of year	-	743	25,643
Cash and cash equivalents, end of year	<u>\$ 23,534</u>	<u>\$ 5,636</u>	<u>\$ 25,643</u>

Fringe Benefits		Total	
<hr/>		<hr/>	
\$	3,692,006	\$	3,696,899
	(3,554,150)		(3,805,616)
<hr/>		<hr/>	
	137,856		(108,717)
	-		275,000
	35		35
<hr/>		<hr/>	
	137,891		166,318
	38,515		64,901
<hr/>		<hr/>	
\$	176,406	\$	231,219
<hr/>		<hr/>	

Continued...

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Cash Flows
Internal Service Funds (Concluded)
For the Year Ended December 31, 2004

	<u>Computer</u>	<u>Computer Mapping</u>	<u>Tax Services</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (276,012)	\$ 4,893	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	16,411	-	-
Changes in assets and liabilities:			
Prepaid expenses	14,635	-	-
Interfund payable	(18,875)	-	-
Accounts payable	12,375	-	-
Net cash provided (used) by operating activities	<u>\$ (251,466)</u>	<u>\$ 4,893</u>	<u>\$ -</u>

Fringe Benefits	Total
\$ 160,152	\$ (110,967)
-	16,411
-	14,635
-	(18,875)
(22,296)	(9,921)
<u>\$ 137,856</u>	<u>\$ (108,717)</u>

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2004

Agency Funds

	Trust and Agency	District Court	Friend of the Court	Inmate Trust	Payroll Clearing	Total
Assets						
Cash and cash equivalents	\$ 4,419,167	\$ 247,581	\$ 14,937	\$ 23,048	\$ 88,876	\$ 4,793,609
Liabilities						
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 88,876	\$ 88,876
Undistributed receipts	4,419,167	247,581	14,937	23,048	-	4,704,733
Total liabilities	\$ 4,419,167	\$ 247,581	\$ 14,937	\$ 23,048	\$ 88,876	\$ 4,793,609

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2004

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Trust and Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ 3,991,800	\$ 30,972,370	\$ 30,545,003	\$ 4,419,167
Liabilities				
Undistributed receipts	\$ 3,991,800	\$ 30,972,370	\$ 30,545,003	\$ 4,419,167
<u>District Court</u>				
Assets				
Cash and cash equivalents	\$ 277,228	\$ 3,008,733	\$ 3,038,380	\$ 247,581
Liabilities				
Undistributed receipts	\$ 277,228	\$ 3,008,733	\$ 3,038,380	\$ 247,581
<u>Friend of the Court</u>				
Assets				
Cash and cash equivalents	\$ 14,937	\$ 8,783,234	\$ 8,783,234	\$ 14,937
Liabilities				
Undistributed receipts	\$ 14,937	\$ 8,783,234	\$ 8,783,234	\$ 14,937

Continued...

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Changes in Assets and Liabilities (Concluded)
All Agency Funds
For the Year Ended December 31, 2004

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Inmate Trust</u>				
Assets				
Cash and cash equivalents	\$ 23,048	\$ 931,202	\$ 931,202	\$ 23,048
Liabilities				
Undistributed receipts	\$ 23,048	\$ 931,202	\$ 931,202	\$ 23,048
<u>Payroll Clearing Fund</u>				
Assets				
Cash and cash equivalents	\$ 13,727	\$ 5,088,472	\$ 5,013,323	\$ 88,876
Liabilities				
Accrued liabilities	\$ 13,727	\$ 5,088,472	\$ 5,013,323	\$ 88,876
<u>Total - All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 4,320,740	\$ 48,784,011	\$ 48,311,142	\$ 4,793,609
Liabilities				
Accrued liabilities	\$ 13,727	\$ 5,088,472	\$ 5,013,323	\$ 88,876
Undistributed receipts	4,307,013	43,695,539	43,297,819	4,704,733
Total liabilities	\$ 4,320,740	\$ 48,784,011	\$ 48,311,142	\$ 4,793,609

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Net Assets
Department of Public Works Component Unit
December 31, 2004

	Lawrence Sewer #6	Paw Paw Water #1	Covert Water #10
Assets			
Cash and cash equivalents	\$ 19	\$ 175	\$ -
Leases receivable	279,981	909,825	875,000
Total assets	280,000	910,000	875,000
Liabilities			
Accounts payable	-	-	-
Long-term liabilities:			
Due within one year	15,000	115,000	275,000
Due in more than one year	265,000	795,000	600,000
Total liabilities	280,000	910,000	875,000
Net assets			
Unrestricted	\$ -	\$ -	\$ -

Casco/South Haven Water & Sewer #1	Lawton Wastewater	Paw Paw Water #2	Casco/South Haven Water & Sewer #2	Hartford Water & Sewer	Casco/South Haven Water & Sewer #3
\$ 425	\$ -	\$ 2	\$ 28	\$ 150	\$ -
5,934,575	1,500,000	634,998	5,849,972	369,850	9,880,000
5,935,000	1,500,000	635,000	5,850,000	370,000	9,880,000
-	-	-	-	-	-
150,000	85,000	35,000	165,000	15,000	325,000
5,785,000	1,415,000	600,000	5,685,000	355,000	9,555,000
5,935,000	1,500,000	635,000	5,850,000	370,000	9,880,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

continued...

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Net Assets
Department of Public Works Component Unit
December 31, 2004

	Paw Paw Sewer #6	Sister Lakes Sewer	2002 Covert Water
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 38
Leases receivable	685,000	10,000,000	4,899,962
Total assets	685,000	10,000,000	4,900,000
Liabilities			
Accounts payable	-	-	-
Long-term liabilities:			
Due within one year	25,000	625,000	50,000
Due in more than one year	660,000	9,375,000	4,850,000
Total liabilities	685,000	10,000,000	4,900,000
Net assets			
Total net assets	\$ -	\$ -	\$ -

2003 Covert Water		Total	
\$	1,861,187	\$	1,862,024
	6,106,344		47,925,507
	7,967,531		49,787,531
	467,531		467,531
	50,000		1,930,000
	7,450,000		47,390,000
	7,967,531		49,787,531
\$	-	\$	-

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Fund Net Assets
Department of Public Works Component Unit
For the Year Ended December 31, 2004

	Lawrence Sewer #6	Paw Paw Water #1	Covert Water #10
Revenue			
Charges for services	\$ 29,750	\$ 132,190	\$ 319,219
Interest	-	-	-
Total revenue	29,750	132,190	319,219
Expenses			
Debt service:			
Principal	15,000	90,000	275,000
Interest and fiscal fees	14,750	42,190	44,219
Construction costs	-	-	-
Total expenses	29,750	132,190	319,219
Change in net assets	-	-	-
Net assets, beginning of year	-	-	-
Net assets, end of year	\$ -	\$ -	\$ -

Casco/South Haven Water & Sewer #1	Lawton Wastewater	Paw Paw Water #2	Casco/South Haven Water & Sewer #2	Hartford Water & Sewer	Casco/South Haven Water & Sewer #3
\$ 434,788	\$ 119,706	\$ 51,684	\$ 394,013	\$ 34,933	\$ 861,431
-	-	-	-	-	-
434,788	119,706	51,684	394,013	34,933	861,431
150,000	85,000	35,000	100,000	15,000	310,000
284,788	34,706	16,684	294,013	19,933	551,431
-	-	-	-	-	-
434,788	119,706	51,684	394,013	34,933	861,431
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

continued...

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Fund Net Assets (Concluded)
Department of Public Works Component Unit
For the Year Ended December 31, 2004

	Paw Paw Sewer #6	Sister Lakes Sewer	2002 Covert Water
Revenue			
Charges for services	\$ 59,958	\$ 1,099,963	\$ 258,763
Interest	-	-	-
Total revenue	59,958	1,099,963	258,763
Expenses			
Debt service:			
Principal	25,000	625,000	50,000
Interest and fiscal fees	34,958	474,963	208,763
Construction costs	-	-	-
Total expenses	59,958	1,099,963	258,763
Change in net assets	-	-	-
Net assets, beginning of year	-	-	-
Net assets, end of year	\$ -	\$ -	\$ -

2003 Covert Water		Total	
\$ 309,600		\$ 4,105,998	
27,932		27,932	
337,532		4,133,930	
-		1,775,000	
309,613		2,331,011	
27,919		27,919	
337,532		4,133,930	
-		-	
-		-	
\$ -		\$ -	

COUNTY OF VAN BUREN, MICHIGAN
Combining Balance Sheet / Statement of Net Assets
Drain Commission Component Unit
December 31, 2004

	Capital Projects Funds		
	Drain	Drain Revolving	Maintenance Revolving
Assets			
Cash and cash equivalents	\$ 903,469	\$ (64,944)	\$ (17,505)
Special assessments receivable	1,057,822	-	-
Due from other funds	-	132,844	54,810
Capital assets being depreciated, net	-	-	-
Total assets	<u>\$ 1,961,291</u>	<u>\$ 67,900</u>	<u>\$ 37,305</u>
Liabilities			
Accounts payable	\$ 1,969	\$ -	\$ -
Due to other funds	150,210	-	-
Advances from primary government	-	60,000	-
Deferred revenue	1,071,022	-	-
Long term debt:			
Due within one year	-	-	-
Due in more than one year	-	-	-
Total liabilities	1,223,201	60,000	-
Fund balances			
Unreserved, undesignated	738,090	7,900	37,305
Total liabilities and net assets	<u>\$ 1,961,291</u>	<u>\$ 67,900</u>	<u>\$ 37,305</u>
Net assets			
Invested in capital assets, net of related debt			
Unrestricted			
Total net assets			

Lake Level	Total	GASB 34 Adjustments	Statement of Net Assets
\$ 40,494	\$ 861,514	\$ -	\$ 861,514
13,200	1,071,022	-	1,071,022
-	187,654	(187,654)	-
-	-	627,684	627,684
<u>\$ 53,694</u>	<u>\$ 2,120,190</u>	<u>440,030</u>	<u>2,560,220</u>
\$ -	\$ 1,969	4,893	6,862
37,444	187,654	(187,654)	-
-	60,000	-	60,000
-	1,071,022	(1,071,022)	-
-	-	419,500	419,500
-	-	626,000	626,000
37,444	1,320,645	(208,283)	1,112,362
16,250	799,545	(799,545)	-
<u>\$ 53,694</u>	<u>\$ 2,120,190</u>		
		(417,816)	(417,816)
		<u>1,865,674</u>	<u>1,865,674</u>
		<u>\$ 1,447,858</u>	<u>\$ 1,447,858</u>

COUNTY OF VAN BUREN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances / Statement of Activities
Drain Commission Component Unit
For the Year Ended December 31, 2004

	Capital Projects Funds		
	Drain	Drain Revolving	Maintenance Revolving
Revenue			
Special assessments	\$ 440,096	\$ -	\$ -
Interest and rentals	7,374	-	479
Other revenue	290,609	-	-
Total revenue	738,079	-	479
Expenditures / expenses			
Public works	389,652	-	-
Debt service:			
Principal	444,750	-	-
Interest	31,295	-	-
Total expenditures / expenses	865,697	-	-
Revenue over (under) expenditures	(127,618)	-	479
Other financing sources			
Proceeds from debt	18,000	-	-
Net change in fund balances / net assets	(109,618)	-	479
Fund balances / net assets, beginning of year	847,708	7,900	36,826
Fund balances / net assets, end of year	\$ 738,090	\$ 7,900	\$ 37,305

Lake Level		Total	GASB 34 Adjustments	Statement of Activities
\$	13,750	\$ 453,846	\$ (430,378)	\$ 23,468
	312	8,165	-	8,165
	-	290,609	-	290,609
	14,062	752,620	(430,378)	322,242
	12,500	402,152	37,952	440,104
	-	444,750	(444,750)	-
	-	31,295	-	31,295
	12,500	878,197	(406,798)	471,399
	1,562	(125,577)	(23,580)	(149,157)
	-	18,000	(18,000)	-
	1,562	(107,577)	(41,580)	(149,157)
	14,688	907,122	689,893	1,597,015
\$	16,250	\$ 799,545	\$ 648,313	\$ 1,447,858

COUNTY OF VAN BUREN, MICHIGAN



SINGLE AUDIT

For The Year Ended December 31, 2004



REHMANN ROBSON

Certified Public Accountants

**COUNTY OF VAN BUREN, MICHIGAN
SINGLE AUDIT**

Table Of Contents

Year Ended December 31, 2004

	<u>PAGE</u>
Schedule of Expenditures of Federal Awards	1-2
Notes to Schedule of Expenditures of Federal Awards	3-4
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5-6
Independent Auditors' Report on Compliance With Requirements Applicable to Major Programs and Internal Control over Compliance in Accordance With OMB Circular A-133	7-9
Schedule of Findings and Questioned Costs	10-12

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COUNTY OF VAN BUREN, MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2004

Federal/Pass-through Grantor Program Title	CFDA Number	Pass-through Grantor Number	Federal Expenditures
U.S. Department of Agriculture			
Passed-through the Michigan Department of Career Development: Food Stamps	10.561	none	\$ 205,550
U.S. Department of Housing and Urban Development			
Passed-through the Michigan State Housing Development Authority: Community Development Block Grant	14.228	MSC-2002-5830-RR	5,000
Community Development Block Grant	14.228	MSC-2002-5830-HO	86,709
HOME Investment Partnership	14.239	M-2002-2830-HOA	22,647
Total U.S. Department of Housing and Urban Development			114,356
U.S. Department of Justice			
Passed-through the Michigan Department of State Police: State Homeland Security Grant Program Radiological Emergency Planning	16.007	none	56,404
State Homeland Security Grant Program Exercise Grant	16.007	none	2,229
State Homeland Security Grant Program Part II Solution Area Planner	16.007	none	32,137
Southwest Enforcement Team (SWET)	16.580	7088-5-03-B	33,360
Passed-through the Family Independence Agency: Juvenile Accountability Incentive Block Grant	16.523	JAIBG-03-80001	15,894
Passed-through the Michigan Department of Community Health: Byrne Formula - Media Communications	16.579	2003DBBX0049	2,693
Byrne Formula - Livescan	16.579	2003DBBX0049	13,985
Byrne Formula	16.579	2004DBBX0052	95,502
Passed-through Grand Valley State University: Project Safe Neighborhood Gun Investigator	16.609	2003-GP-CX-0561	18,515
Total U.S. Department of Justice			270,719
U.S. Department of Labor			
Passed-through the Michigan Department of Labor and Economic Growth: Employment Services	17.207	none	479,658
Re-employment Services	17.207	none	21,629
Trade Adjustment Assistance	17.245	none	168,869
Welfare-to-Work	17.253	none	451,739
Workforce Investment Act - Adult	17.258	none	801,543
Workforce Investment Act - Youth	17.259	none	931,737
Workforce Investment Act: Dislocated Workers	17.260	none	803,000
National Emergency Grant	17.260	none	38,765
National Reserve	17.260	none	5,000
Rapid Response #1240	17.260	none	1,924

continued...

COUNTY OF VAN BUREN, MICHIGAN
Schedule of Expenditures of Federal Awards (Concluded)
For the Year Ended December 31, 2004

Federal/Pass-through Grantor Program Title	CFDA Number	Pass-through Grantor Number	Federal Expenditures
U.S. Department of Labor (concluded)			
Passed-through the Michigan Department of Labor and Economic Growth (concluded):			
Workforce Investment Act (concluded):			
Administration	17.258,	none	\$ 210,418
Displaced Homemakers	17.259,	none	77,625
Incentives	& 17.260	none	74,878
Incumbent Workers		none	51,389
Statewide Activities		none	44,648
Statewide Benton Harbor Youth works - Statewide		none	295,000
Reed Act:			
WF	17.UKN	none	1,787,541
Service Center	17.UKN	none	216,977
Accessibility	17.UKN	none	16,849
Total U.S. Department of Labor			6,479,189
U.S. Department of Transportation			
Passed-through the Michigan Department of State Police:			
Click-It or Ticket Mobilization	20.600	PT-04-63	5,983
2003-2004 Hazardous Materials Emergency Planning Grant	20.703	none	2,800
Total U.S. Department of Transportation			8,783
U.S. Department of Health and Human Services			
Passed-through the Michigan Department of Labor and Economic Growth and the Family Independence Agency:			
Temporary Assistance for Needy Families - Work First	93.558	none	1,438,822
Temporary Assistance for Needy Families - Work First			
Project Zero Transportation	93.558	none	103,000
Temporary Assistance for Needy Families - Work First			
Family Independence Agency Support Services	93.558	none	175,000
Passed-through the Family Independence Agency:			
Title IV-D CRP	93.563	CS/COM-04-80003	681,271
Title IV-D CRP	93.563	CS/COM-05-80003	255,152
Title IV-D Medical Support	93.563	CS/MED-04-80003	25,473
Title IV-D Medical Support	93.563	CS/MED-05-80003	13,784
Title IV-D Incentive Payments	93.563	none	174,913
Total U.S. Department of Health and Human Services			2,867,415
U.S. Department of Homeland Security			
Passed-through the Michigan Department of State Police:			
Law Enforcement Terrorism Prevention Program	97.004	none	40,710
Homeland Security Grant Program	97.004	none	125,729
State Homeland Security Grant Program Part II Training	97.004	none	3,734
Emergency Management Performance Grant	97.042	none	26,987
Supplemental Planning Grant	97.051	FY02-EMD/TPSG/EX	20,000
Total U.S. Department of Homeland Security			217,160
Total Expenditures of Federal Awards			\$ 10,163,172

COUNTY OF VAN BUREN, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Van Buren, Michigan (the "County"). Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The County of Van Buren, Michigan reporting entity is defined in Note I of the County's financial statements. The County of Van Buren, Michigan's financial statements include the operations of the Van Buren County District Public Health Department and Van Buren County Road Commission discretely presented component units, which received \$1,333,654 and \$485,466 in federal awards, respectively, which is not included in the Schedule for the year ended December 31, 2004. Our audit did not include the operations of the Van Buren County District Public Health Department or Van Buren County Road Commission discretely presented component units because they engaged other auditors to perform those audits.

The County of Van Buren, Michigan's financial statements also include the operations of the Van Buren County Public Transit enterprise fund, which received \$391,078 in federal awards which is not included in the Schedule during the year ended December 31, 2004. Our audit did not include the operations of the Van Buren County Public Transit enterprise fund because they engaged other auditors to perform that audit.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting which is described in Note I of the County's basic financial statements.

COUNTY OF VAN BUREN, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards (Concluded)

3. PAYMENTS TO SUBRECIPIENTS

The County administers certain federal awards programs through subrecipients. Those subrecipients are not considered part of the County of Van Buren, Michigan reporting entity. Of the federal expenditures presented in the schedule, the County of Van Buren, Michigan provided federal awards to subrecipients as follows:

Program title	CFDA Number	Amount Provided to Subrecipients
Food Stamps	10.561	\$ 205,550
Employment Services	17.207	479,658
Re-employment Services	17.207	21,629
Trade Adjustment Assistance	17.245	168,869
Welfare-to-Work	17.253	451,739
Workforce Investment Act - Adult	17.258	801,543
Workforce Investment Act - Youth	17.259	931,737
Workforce Investment Act:		
Dislocated Workers	17.260	803,000
National Emergency Grant	17.260	38,765
National Reserve	17.260	5,000
Rapid Response #1240	17.260	1,924
Administration	17.258,	210,418
Displaced Homemakers	17.259,	77,625
Incentives	& 17.260	74,878
Incumbent Workers		51,389
Statewide Activities		44,648
Statewide Benton Harbor Youth works - Statewide		295,000
Reed Act:		
WF	17.UKN	1,787,541
Service Center	17.UKN	216,977
Accessibility	17.UKN	16,849
Temporary Assistance for Needy Families - Work First	93.558	1,438,822
Temporary Assistance for Needy Families - Work First		
Project Zero Transportation	93.558	103,000
Temporary Assistance for Needy Families - Work First		
Family Independence Agency Support Services	93.558	175,000
		<u><u>\$ 8,401,561</u></u>

* * * * *



REHMANN ROBSON

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

August 5, 2005

To the Board of Commissioners
of the County of Van Buren, Michigan
Paw Paw, Michigan

We have audited the financial statements of the *County of Van Buren, Michigan*, as of and for the year ended December 31, 2004, and have issued our report thereon dated August 5, 2005. We did not audit the financial statements of the Public Transit enterprise fund, which represents 11.6% of the assets and 12.3% of the revenues of the aggregate remaining (nonmajor) funds, respectively. We also did not audit the financial statements of the Road Commission or District Public Health component units, which represent 49.2% and 1.7%, respectively, of the assets and 57.8% and 21.3%, respectively, of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Transit fund and Road Commission and District Public Health component units, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the County of Van Buren, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our report and the reports of other auditors noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Van Buren, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests and the report of the other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted other matters involving the internal control over compliance and/or financial reporting that we have reported to the management of the County of Van Buren, Michigan in a separate letter dated August 5, 2005.

This report is intended solely for the information and use of the audit committee, management, others within the organization, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style.



REHMANN ROBSON

Certified Public Accountants

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BAKER TILLY
INTERNATIONAL

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO MAJOR PROGRAMS
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

August 5, 2005

To the Board of Commissioners
of the County of Van Buren, Michigan
Paw Paw, Michigan

Compliance

We have audited the compliance of the **County of Van Buren, Michigan** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2004. The County of Van Buren, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the County of Van Buren, Michigan's management. Our responsibility is to express an opinion on the County of Van Buren, Michigan's compliance based on our audit.

The County of Van Buren, Michigan's financial statements include the operations of the Van Buren County District Public Health Department and Van Buren County Road Commission discretely presented component units, which received \$1,333,654 and \$485,466 in federal awards, respectively, which is not included in the Schedule for the year ended December 31, 2004. Our audit, did not include the operations of the Van Buren County District Public Health Department or Van Buren County Road Commission discretely presented component units because they engaged other auditors to perform those audits.

The County of Van Buren, Michigan's basic financial statements include the operations of the Van Buren County Public Transit enterprise fund, which received \$391,078 in federal awards which is not included in the Schedule of Expenditures of Federal Awards during the year ended December 31, 2004. Our audit, described below, did not include the operations of the Van Buren County Public Transit enterprise fund because they engaged other auditors to perform that audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Van Buren, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Van Buren, Michigan's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2004.

Internal Control over Compliance

The management of the County of Van Buren, Michigan is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County of Van Buren, Michigan's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We have audited the basic financial statements of the *County of Van Buren, Michigan* as of and for the year ended December 31, 2004, and have issued our report thereon dated August 5, 2005. We did not audit the financial statements of the Public Transit enterprise fund, which represents 11.6% of the assets and 12.3% of the revenues of the aggregate remaining (nonmajor) funds, respectively. We also did not audit the financial statements of the Road Commission or District Public Health component units, which represent 49.2% and 1.7%, respectively, of the assets and 57.8% and 21.3%, respectively, of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Transit fund and Road Commission and District Public Health component units, is based on the reports of the other auditors.

This report is intended solely for the information and use of the audit committee, management, others within the organization, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style.

COUNTY OF VAN BUREN, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2004

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Reportable condition(s) identified
not considered to be material weaknesses?

_____ yes X none reported

Noncompliance material to financial statements
noted?

_____ yes X no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

_____ yes X no

Reportable condition(s) identified
not considered to be material weaknesses?

_____ yes X none reported

Type of auditors' report issued on compliance
for major programs:

Unqualified

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section 510(a)?

_____ yes X no

COUNTY OF VAN BUREN, MICHIGAN

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended December 31, 2004

SECTION I - SUMMARY OF AUDITORS' RESULTS (Continued)

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.561	Food Stamps Employment/Training
17.207	Employment Services
17.245	Trade Adjustment Assistance
17.253	Welfare to Work Act
17.255, 17.258, 17.259 and 17.260	Workforce Investment Act
17.UKN	Reed Act
93.558	Temporary Assistance for Needy Families

Dollar threshold used to distinguish
between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

_____ yes X no

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

COUNTY OF VAN BUREN, MICHIGAN

Schedule of Findings and Questioned Costs (Concluded)

For the Year Ended December 31, 2004

SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS

2004-1 Grant Management

In the prior year, it was noted that the County lacked sufficient oversight over its various federal and state grant programs to ensure material compliance with grantor requirements. Through a combination of management oversight, and the creation of a new Grants Manager position, this finding has been resolved to the auditors' satisfaction.

2004-2 Community Development Block Grant (CDBG) – Accounting and Reporting

In the prior year, the County requested draws of federal funds well in advance of its immediate cash needs, and filed certain financial reports that did not agree or reconcile with the County's internal accounting records. In 2004, a new policy was initiated to more closely monitor this process, and to ensure that grant draws coincide with eligible disbursements. Accordingly, this finding has been resolved to the auditors' satisfaction.

* * * * *



REHMANN ROBSON

Certified Public Accountants

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August 5, 2005

The Board of Commissioners
County of Van Buren, Michigan
Paw Paw, Michigan

We have audited the financial statements of **Van Buren County** for the year ended December 31, 2004, and have issued our report thereon dated August 5, 2005. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and OMB Circular A-133

As stated in our engagement letter dated January 11, 2005, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered Van Buren County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether Van Buren County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Van Buren County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Van Buren County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Van Buren County's compliance with those requirements.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by Van Buren County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by Van Buren County during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable fixed assets is based on the length of time it is believed that those assets will provide some economic benefit in the future. We evaluated the key factors and assumptions used to develop the useful lives of those assets in determining that they are reasonable in relation to the financial statements taken as a whole.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on Van Buren County's financial reporting process (that is, cause future financial statements to be materially misstated). We proposed numerous adjusting journal entries, all of which were approved and recorded by management, which in our judgment had a significant effect on Van Buren County's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Van Buren County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit.

This letter and the accompanying memorandum are intended for the use of the Board of Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style with a large initial 'L'.

VAN BUREN COUNTY

Comments and Recommendations

For the Year Ended December 31, 2004

During our audit we became aware of certain issues regarding internal control and financial reporting. This memorandum summarizes our comments and suggestions regarding these matters. This memorandum does not affect our report dated August 5, 2005 on the financial statements of Van Buren County.

Grant Administration and Reporting

As is the case with many municipal governments, it has been the County's practice to account for its operations on a cash basis throughout the year, and to make the necessary accruals at year-end in conformity with generally accepted accounting principles. Under this system, there is a need to perform year-end reconciliations of the amounts requested for reimbursement from grantor agencies and amounts received during the year. Because payment requests are often submitted directly by the respective County departments, the Treasurer's Office is not always aware of the amounts requested that should be included in the year-end accrual process. This can lead to possible under-accruals of revenue when the Treasurer's Office does not have all the necessary information.

In connection with the 2002 audit, we recommended that the County establish a written policy requiring that a copy of all grant contracts and payment request documents, including invoices/reimbursement requests and the related remittance advises, be forwarded to the Treasurer's Office at the time they are received or filed, for proper accounting in the County's general ledger. This would ensure that the Treasurer's Office is aware of any outstanding payment requests, and can monitor collections and the related accruals more accurately throughout the year. During 2003, the County drafted such a policy and created a new part-time Grants Manager position to oversee the process of grant administration. Over the past few years, the County has been steadily working toward implementing the provisions of its policy to better ensure compliance with grant requirements and to prepare for the annual financial and single audits.

Given the significant progress made in this area for 2004, we reported that the reportable condition identified in the 2003 single audit report over grants administration had been sufficiently resolved to no longer represent a significant risk that errors would occur and not be detected by management in the normal course of operations.

Our review of the County's grants and records for the 2004 audit revealed that there is still room, however, for further improvement. Many smaller grants were not initially reconciled at year-end, resulting in fund deficits in the preliminary records provided to us. Based on the information provided by management, we proposed a significant number of adjustments to grant funds for year-end accruals and deferrals. Most of these adjustments related to the fact that the Grants Manager and Treasurer had difficulty collecting all of the necessary documents from the various departments responsible for administering grants.

We would like to both commend the County for the progress made thus far, and reemphasize our previous recommendations to make fully implementing the grants administration policy a high priority for 2005.

VAN BUREN COUNTY

Comments and Recommendations

For the Year Ended December 31, 2004

Overall Audit Process and Preparation

Due to a combination of various factors, the County's audit has had to be extended past the June 30 deadline in each of the past several years. In the past, this has been caused by late audits from the County's component units, and most recently, due to the significant investment of time required for the implementation of GASB Statement No. 34. In the current year, however, the delay was caused primarily by the County's lack of preparation for the audit.

Each year, we provide management with a comprehensive list of the audit schedules and supporting documentation to have ready for our fieldwork. This list was provided to management in March 2005, with the anticipation that the County's audit would be started and completed in early May. When we began our audit fieldwork, we discovered that a significant portion of the items requested were not yet available. From that point, several further attempts were made to resume and conclude our audit procedures. However, it was July before the bulk of the items requested were provided to us.

We are very mindful of the unique set of circumstances that surrounded the delays this year (including the untimely death of an immediate family member). Nevertheless, it is our desire for the County to be adequately prepared for its financial and single audits so that they can be completed on time in the future.

One common theme we encountered in requesting information for the audit was a lack of consensus on who was ultimately responsible for preparing certain information. In regards to federal, state, and other regulatory requirements, the primary responsibility for preparing most financial information rests simply with the generic term "management". Management is responsible for maintaining the County's books, preparing grant reconciliations and reports, and providing information to the auditors. Who, specifically, represents "management" for any particular task is a decision for the County to make internally. Many other counties have settled this matter through the creation of a centralized Finance Department or Controller's Office. We are not suggesting that this is necessarily the appropriate approach for Van Buren County. However, we would strongly encourage the County to give careful consideration to the organization and distribution of responsibility for the oversight of all of the County's financial functions, and the process of preparing for the annual audit.

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